# FINANCIAL TIMES



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Italian polls Why Berlusconi still wins votes



German problem Whither the Bundeswehr?



Treatment by the immune system



**Pharmaceuticals** Seeking calmer waters

World Business Newspaper

# Lloyd's considers speeding plans to transfer huge debts

Insurer Lloyd's of London is considering speeding up plans to transfer billions of pounds worth of lia-bilities into a separate company as part of a radical revamp of its recovery strategy. Mr David Rowland Lloyd's chairman, said the proposal was being stud-ied as part of a re-examination of the insurance market's tactics for ensuring its future financial prosperity. Page 20

Chrysler rejects \$22.8bn bld: Chrysler rejected a bid by investor Kirk Kerkorian that values the US vehicle maker at \$22.8bn. It said it would go ahead with plans to buy back \$1bn of its own

Oklahoma rescuers near more victims: Rescuers said they were about to uncover the bodies of many more victims of the Oklahoma bombing. Up to 150 people, including many children, are still missing from last Wednesday's buge explosion in addition to around 80 known to have died. Gun law repeal drive suffers sethack, Page 4

Karadzie named as war crimes suspect



The Yugoslav War Crimes Tribunal at The Hague said it would investigate Bosnian Serb leader, Radovan Karadzic (left), for suspected war crimes. The tribunal also named Bosnian Serb army commander, General Ratko Mladic, and former Bosnian Serb special police chief. Mico Stanisic, as suspects, The announcement came as international relations with

the Serbs reached a new low. Page 3 Microsoft presses antitrust appeal: Microsoft and the US Justice Department appeared to gain ground with their appeal against a lower

court judgment throwing out the antitrust settlement the two sides reached last year. Page 4 Farnell eyes US expansion: UK electronic components distribution group, Farnell Electronics, plans to expand in the US after reporting pre-tax

profits of £59.2m (\$96m) up from £49.1m for the year ended January 29, 1995. Page 28 Rise in greenhouse gases predicted: A surge in energy demand will result in growing emissions of carbon dioxide, one of the main green-house gases, the International Energy Agency and the Organisation for Economic Co-operation and

Development said. Page 7\_ Sharp rise for chemicals groups: Earnings at US chemicals groups, Dn Pont and Union Carbide, shot up by \$317m and \$167m respectively. Page 26 Boeing earnings drop by \$111m: US aircraft

\$181m from \$292m in the first quarter due to a worldwide downturn in aircraft orders. Page 21 Kobe Steel in Korean venture: Japan's Kobe Steel and Je Il Steel of Korea formed a Won6.4bn (\$8.37m) joint venture to produce welding material for the Korean shipbuilding industry. Page 7

maker, Boeing, reported a tall in het earlings to

Sri Lanka's Tamil Tiger rebels fighting for a separate homeland, denied they had closed the door to peace, but demanded the government come up with a fresh initiative to prevent a civil war. Page 6

Abbey National in takeover bid: UK home loans and banking group, Abbey National, sent a shock wave through the building societies sector with the announcement that it was seeking take-over talks with National & Provincial, the ninth largest building society. Page 21; Lex. Page 20

Japanese voters snub parties: Independent candidates won a record number of seats as disgruntled Japanese voters delivered a snub to mainstream political parties in local elections. Page 6

American Brands' income down: US consumer goods group, American Brands, blamed the disposal of its Franklin Life insurance husiness and its American Tobacco cigarette subsidiary for a fall in first-quarter net income, to \$116.6m from \$149 2m Page 25

Hutu camp surrounded: Hundreds of Tutsi soldiers surrounded the last 1,000 Hutus cowering in southern Rwanda's Kibeho refugee camp where thousands were killed at the weekend. The soldiers said they must surrender or be flushed out.

Bus crash in Brazil kilis 21: A bus fell off a narrow wooden bridge and plunged into a river about 500 miles corth-east of Rio de Janeiro, killing at least 21 people and injuring 26 others, police in Brazil said.

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Survey, Pages 9-13

# UK government offers Sinn Féin ministerial talks

By John Kampfner in London

The UK government yesterday invited Sinn Féin to ministerial talks within days, in a move which opens a new phase in the search for a peace settlement in Northern Ireland. The announcement ended

weeks of deadlock between the two sides that had threatened to derail the fragile process eight months into the ceaselire. But, as some Unionists denounced the move as the latest example of British capitulation to terrorists, doubts remained whether Sinn Fein, the IRA's political wing, had fully met the

conditions for talks.

The government had originally made clear it would not discuss the decommissioning of paramilitary weapons in conjunction with what republicans call "demilitarisation" - the rola of the army in the province.

The prime minister's office said the UK had decided to upgrade

the exploratory talks after Sinn Féin "confirmed that it was willing to discuss decommissioning as a separate issue, and in a serious and constructive manner". The talks could take place as early as tomorrow, though offi-cials said the most likely date was early next week.

The venue is likely to be Stor-mont, the Ulster assembly build-

ing, where Mr Martin McGuin-ness, Sinn Féin's chief negotiator, has met senior officials of the UK that ministers had made a politi-cal judgment, based as much on trust as on the commitment they Northern Ireland office several times in recent months.

Mr McGuinness said: "This is a victory for the peace process, a victory for all those people who have a widespread expectation that we will move to all-party peace talks." It was not, he said. a matter of who had yielded the most concessions. UK officials denied the govern-

ment had given ground. It is a matter of clarification and we bave received the assurances that we require," one said.

However, the wording of the government statement suggested

had previously demanded.

The statement said the first item on the agenda would have to be decommissioning. It went on: "The government has reiter-ated that no subject is excluded from the dialogue. It will be glad to explain its policy and approach on any subject.

Sinn Fein have made clear their wish to raise a number of issues, including those arising from the need for what they term 'demilitarisation'." The British made a similar

"working assumption" last year when assessing whether the

The Irisb government had con-sistently made clear it believed the differences between UK ministers and Sinn Fein were smaller than they were being portrayed

in London. The "de-coupling" issue was seen in Dublin largely as a ques-tion of semantics that could easily be overcome given the politi-

Both British and Dublin offi-cials concede that Mr John Bruton, the irisb prime minister, was influential in persuading Mr John Major to give Sinn Féin the benefit of the doubt.

lt emerged last night that Mr Bruton talked to Mr Major by

By John Ridding and Andrew Jack in Paris

contender.

The French right yesterday songht to regroup its divided

forces to ensure a presidential victory for Mr Jacques Chirac,

the Gaullist mayor of Paris, after

Sunday's first-round triumph by

Mr Lionel Jospin, the Socialist

Mr Chirac telephoned Mr

Edouard Balladur, the prime min-

ister, to thank him for his "unqualified support" and to

urge unity on the right to avoid a third consecutive Socialist presi-

dency. Mr Balladur, who finished

just behind his Gaullist rival in

the first round, was forced out of

the decisive May 7 run-off vote. Financial markets, which

weakened on Sunday, were calm yesterday. The French franc rose to FF13.54 to the D-Mark, com-

pared with a low of FFr3.588 to

the German currency on Sunday night. Bond and stock prices also

strengthened after early falls.

tion reflected expectations that Mr Chirac would secure victory

on May 7. But some economists

remained pessimistic. "Whoever

wins will have gained a very low

score in the first round, and that increases uncertainty," said Mr

Bernard Godement, chief econo-

mist at Nomura Research Insti-

tute in Paris. He predicted fur-

ther weakness in the franc and

Market analysts said the reac-

**Divided French** 

right regroups

around Chirac

Adams, Sinn Fein president, hours before the invitation was

Mr Bruton had become concerned that Sinn Féin was being given second-tier status in the peace process, a position Mr Adams would find impossible to reconcile with more radical republicans.

Britain's main political parties welcomed the announcement. Reaction among Unionists was more sceptical.

Breakthrough for N Ireland dialogue, Page 8 Editorial Comment, Page 19

Mr Chirac's conciliatory tone

was echoed by his allies. Mr Phil-

ippe Séguin, the president of the

National Assembly, said it was

evident that supporters of Mr Balladur would be ministers if

the mayor of Paris made it to the

With parties of the right win-

ning a combined 60 per cent of the first-round vote, Mr Chirac

remains favourite to succeed

President François Mitterrand.

But the Socialists have been

buoyed by their unexpected suc-

cess, which saw Mr Jospin gain 23.3 per cent of the vote, com-pared with 20.8 per cent for Mr

Chirac. "Hope bas changed camp," said Mr Henri Emman-

uelli, the party leader. Uncertainty has been increased

by the failure of opinion surveys

to predict the result accurately.

While some polling organisations

defended their methods. Louis

Harris said it was suspending any new political polls in France until it bad reviewed its tech-

niques in the light of the discrep-

ancy between Sunday night's result and its latest estimates.

Vote underlines French divi-sions, Page 2; Battle for French

floating voters, Page 19; Editorial Comment, Page 19;

Lex, Page 20; Bonds, Page 30; Currencies, Page 31; World stocks, Page 40

The final result will depend on

Continued on Page 20

Elysée palace.

# Countries split by proposal to calm currency markets

# G7 dispute intensifies over falling **US** dollar

By Robert Chote in Washington

Fierce disagreement about how to deal with the sinking dollar grew among the Group of Seven leading industrial nations yesterday, on the eve of what is likely to be a particularly fractious meeting of their finance ministers and central bank governors in Washington.

Germany, Japan, the European Union and the International Monetary Fund all stepped up their boost its sliding currency, arguing that the Federal Reserve had been too slow to raise interest

France and Japan also argued for greater international co-operation to calm the currency markets. But Germany and the UK warned a concerted support operation for the dollar by central banks would not be success ful unless it was backed by the right economic policies.
The Japanese raised the stakes

for the meetings by warning that a failure to reach an agreement on currencies would push the enfeebled dollar down even further, worsening the plight of the country's exporters and endangering its fragile economic recov-

ery. -Mr Robert Rubin, the US Treasury aecretary, conceded that recent exchange rate movements were "a source of general con-cern" and that Japan's nascent economic recovery now looked more vulnerable.

Mr Otmar Issing, a leading member of the Bundesbank's policymaking council, said in Frankfurt that the idea that the G7 would meet and put together a unified package to help the dri-lar was illusory. "Central banks are not the

masters of exchange rates," said Mr Issing. He noted that attempts to influence the dollar with intervention in the past had sucthe markets was already chang ing. He said intervention had to be accompanied by monetary and fiscal policies aimed at stability. "If it is not, the effect evaporates. And in the worst case, the

opposite to what was intended happens," be said. These sentiments were echoed by Mr Kenneth Clarke, the UK chancellor, in a speech to the

British-American chamber of commerce in New York. He conceded intervention could make a marginal difference. "But the experience of the past couple of months shows that, on the whole, intervention not backed up by policy action is unlikely to have much effect," Mr Clarke said. The chancellor added that an

even less desirable solution would be to try to regulate the currency markets, by imposing extra costs on people trading in them: "The best way for governments to minimise the volatility



IMF managing director Michel Camdessus in Washington yesterday

of financial markets is not by large-scale intervention or misguided regulation but by following sensible domestic economic

Mr Jacques Santer, the president of the European Commission, criticised Washington for its policy of "benign neglect"

Continued on Page 20 Weaknesses in IMF shown by Mexico'. Page 7

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# International Paper launches hostile \$335m bid for Holvis

By lan Rodger in Zurich

International Paper, the US forest products group, has launched a SFr385m (\$335m) unsolicited bid for Holvis, a Swiss maker of nonwoven products and distributor of paper and office supplies. The SFr435 per share cash offer is believed to be the first unsoli-

cited full bid for a Swiss company by a foreign group. Three years ago, Holvis became the first Swiss quoted company to remove all restrictions on the ownership and voting of its shares. The offer price is 24 per cent

above Friday's SF1350 closing price of Holvis shares. Holvis described it as "unsolicited and unfriendly" and advised shareholders to take no action pending an evaluation by the board within the next few days.

Asia-Pacific Noise

bid. Holvis said it and its advis-ers, Morgan Stanley, the US investment bank, needed to look at other options.

The bid comes only four days after IP succeeded in raising its

stake in Carter Holt Harvey, the New Zealand forest products group, from 24.5 per cent to 50.1 per cent for \$1.70n. IP said it had obtained an irrev-

ocable option to buy at the bid price 25 per cent of Holvis shares controlled by Mercury Asset Management (MAM) of the UK. It said MAM had approached IP and other potential buyers, having become discouraged by what it regarded as Holvis's lack of progress.

MAM said It believed the offer was "in the best interests of shareholders" and that it would also tender a further 6 per cent of

being tendered. Mr Milan Turk, senior vice-president responsible for IP's speciality products division, said he had had discussions with other Holvis shareholders and was confident that "much more" than a majority would be tendered. IP itself and its adviser, Credit Suisse First Boston, held no Holvis shares.

IP two weeks ago reported first-quarter net profit of \$246m or \$1.95 a share, more than treble the result in the first quarter of

Holvis, formerly called Holzstoff, abandoned its traditional paper making base in 1990 and made a series of acquisitions in non-wovens. Non-wovens are the disposable fabrics used in napples, sanitary towels, and medical garments.

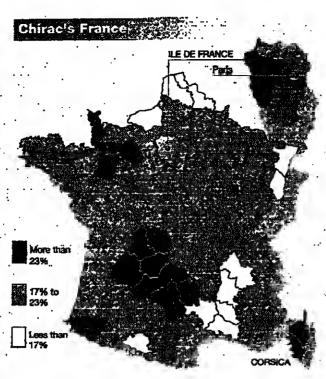
Lex, Page 20 A friendly foray over Swiss borders, Page 21

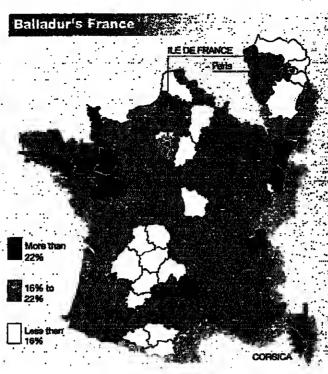
Holvis shares held by other funds Both sides pointed out that the that it managed. The offer is con-Holvis board had not rejected the ditional on a majority of shares CONTENTS

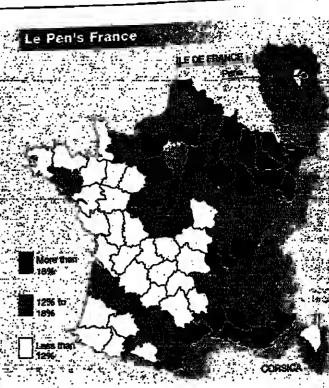
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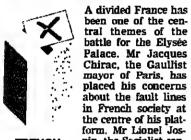




First round of election exposes social and geographic fault lines in society

# Vote underlines French divisions

By John Ridding in Parts



FRENCH

pin, the Socialist candidate and surprise **ELECTIONS** winner of Sunday's first round of voting. has stressed the gap hetween the haves and have nots.

But the traditional socio-economic divisions which have been at the centre of the campaign debate are only part of the story. Geographically, too, the country is split several ways between the candidates who have been competing to succeed President François Mitterrand.

The most striking illustration is the regional concentration of support for Mr Jean-Marie Le Pen, leader of the extreme right National Front. The populist demagogue scored his high-est ever election result, garnering 15 per cent of the vote.

Much of the support was concentrated in border areas and in economically depressed regions. Marseilles and its surrounding region is nne stronghold, reflecting local concerns ahout the already large immigrant community and the prospect of a further increase. "The civil war in Algeria is just across the Mediterranean and threatens a surge in refu-gees." says Mr Pascal Perrineau, director of the institute for French political studies at the Science Po search institute.

Mr Le Pen's strong anti-immigrant stance, which includes a threat to repatriate 3m within the next seven years, also provides a stronghold in the suhurbs of Paris, home to a large immigrant community. The threat of immigration following the removal of frontier controls between EU members states which signed the Schengen accord helps explain Mr Le Pen's strong showing along France's east-ern border with "Schengenland".

In the north of France, as in the suhurbs of the capital, Mr Le Pen also draws strong backing from the ranks of France's 3.2m unemployed. A breakdown of official voting results published yesterday in the daily Aujourd'hui showed that Mr Le Pen gained more support from the imemployed than any other candidate, drawing 31 per cent of their vote. If Mr Le Pen's strongholds are the

most marked, the two second round candidates also have their electoral powerbases, Mr Chirac, the mayor of Paris, cleaned up in the capital, winning 32 per cent of the vote in the 20 departments which comprise the city. Elsewhere, and in common with all the other candidates, the Gaullist mayor performed strongly in his home region, winning more than 23 per cent in the south-central region which surrounds La Corrèze, where

he was born. Further afield, Mr Chirac dominated returns in Corsica and France's overseas territories ranging from Réunion to Tahiti.

Mr Jospin recorded good results in the south-west, in the Midi-Pyrenees and Aquitaine, capitalising on a tradition of left-wing support which has remained solid since the second world war when the region was a stronghold of the resistance movement. In the Burgundy department of La Nièvre the Socialist candidate was buoyed by the Mitterrand factor, reflecting the outgoing president's establishment of

a powerbase in the area. For the next fortnight the two frontrunners will step up their campaigns in marginal areas. Mr Chirac, who has already held 35 large regional rallies as part of his marathon campaign, is likely to draw support from regions which backed Mr Edouard Balladur, the Gaullist prime minister. Snch areas include a swathe of departments in north-western France and in the east of the country. A key factor will he to what extent Mr Chirac

shifts ground to capture the National Front vote and how the vote in depressed urban areas, captured so effectively by Mr Le Pen, redistributes between the two finalists.

Yesterday, Mr Chirac's camp started its pitch for this vote. The National Front electorate has legitimate concerns," said Mr Alain Jnppé, France's foreign minister, citing conditions in many towns and suburbs.

As for Mr Jospin, he is likely to garner support from communist strongholds in poor agricultural regions, such as in central France and in the Pyrenees mountains, and from depressed industrial areas in the Pas de Calais and elsewhere in northern France.

A traditional left-right divide in voting patterns in the second round would see Mr Chirac dominant in much of the east, and his Socialist rival ahead in large areas of the west and south. Between now and then, however, the two finalists will be mobilising their forces to shift the geographical balance in their favour.

# **Opinion polls** under attack from all sides

By Andrew Jack in Paris

Long after the French have forgotten the precise percent-ages won by each of the presi-dential candidates in the first round of voting last Sunday, they will remember one thing: the polisters got it wrong. So widespread was the belief

that Mr Jacques Chirac, the Gaullist mayor of Paris, would win that the only question was whether Mr Jospin or Mr Edouard Balladur, the Gaullist prime minister, would be his competitor in the second round on May 7.

The embarrassment is acute in France because opinion surveys have become something of a national obsession. A law introduced in 1977 has outlawed publication of political polls for a week before voting, hut up to the middle of April barely a day had gone by for months without some prediction of the result.

Consequently, the disillusion was equally great. 'I will never again give money to the poll-sters," said Mr André Rossinot, civil service minister and a Balladur supporter, on Sunday night. "The sole victory of which I'm sure is of democracy against opinion polls, television and marketing profession-als," said Mr Alain Madelin, minister for small husiness and a leading follower of Mr Chi-

the results came in was from Mr Nicholas Sarkozy, budget minister and sookesman for Mr Balladur, who accused the pollsters of being partisan. This view was hotly denied by the polling institutes but widely voiced among supporters from

all camps.
The institutes split yesterday between those who remained defiant and those who saw the need to reform their approach. Some argued that there was nothing wrong with their techniques hut they were simply victims of misrepresentation. They stressed that polls were simply snapshots of opinion at the time they were taken and could not necessarily be used to project a final result.

Equally, they said that a high proportion of voters remained undecided - up to a third in many of the recently published polls - and they might have made their minds up in the last week when polls were not allowed. Some estimates on Sunday suggested 12 per cent of voters had nnly made up their minds once in the voting booth. No surprise then that these votes could not he predicted in advance.
In addition, while the small

print was often not printed alongside the polls, most contained error margins of 3 or 4 percentage points, which explained most of the differ-

Finally, many of the projected results were correct. Only Mr Jospin's and Mr Chirac's support was substantially wrong. The minority candidates scored in line with the estimates and several unpublished polis to the final days had suggested Mr Balladur was clearly in third position.

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Yet Mr Stephane Vacher, head of research for Louis Harris, said his organisation had started to scrutinise its tech-niques and would publish no more political polls until it bad the presidential election. "There is a problem. The electorate is changing and we have to adjust our methods," he

He argued that two different factors were at stake. The Jospin vote was underestimated because pollsters in the past had traditionally found that more people claimed to vote socialist than in reality did so. The adjustments made to these raw figures - based on histori cal trends - therefore needed to be reduced.

On the other hand, the Chi rac vote was overestimated hecause centrist supporters had wavered between him and Mr Balladur - both from the same party - while more rightwing supporters switched at the last minute to Mr Jean-Marie Le Pen of the National Front because they were disil-lusioned with Mr Chirac's recent more left-wing policies.

He also pointed a finger at the media, which have become increasingly dependent on polls for analysis and news. They have put us in the front line to spite of our wishes," he said. Certainly, even as the criticism raged, polls predicting the outcome of the Jospin-Chirac second round were being widely reported yester-

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# RISING STARS AND WANING FORTUNES ON THE RIGHT WING OF POLITICS

While the French public will not decide the victor of the presidential contest until May 7, the first round of voting on Sunday has already produced winners and losers, writes John Ridding in Paris.

In particular, the Gaullist rivalry between Mr Jacques Chirac, the mayor of Paris, and his defeated opponent Mr Edouard Balladur may make or hreak careers for some of the most prominent politicians on the French right and

However, just as Chirac supporters must still secure eventual victory for their candidate and their place around the seat of power, all is not lost for Balladur backers. The first round victory of Mr Lionel Jospin, the Socialist candidate, will increase pressure for a rallying of the forces of the right and clemency for the losing

Yesterday, Mr Chirac telephoned Mr Balladur to express his desire for the higgest possible grouping of the right to avoid a third consecn-

tive Socialist presidency. Several of Mr Balla-dur's closest allies threw their weight behind the mayor of Paris, seeking to ensure a conservative successor to President François Mitter-

Mr Dominique Perben, the minister for France's overseas territories and departments, gave his support to Mr Chirac, as did Mr Dominique Bandis, mayor of Toulouse.

Mr Nicolas Sarkozy, the hudget minister, urged unity on the right. However, in a signifi-

cant indication of the leverage gained by Mr Balladur's narrow defeat he added: "I am not among those who consider that the second round has been decided."

In an indirect response, Mr Philippe Séguin, a powerful ally of the mayor of Paris, said it was evident that there would be Balladurian ministers under a Chirac presidency. Mr Séguin is someone to watch in the manoenvrings which will now ensue. He forms part of a higger list, whose leading lights we profile below.



ALAIN JUPPE, the foreign minister, is a serious contender to make the trip from the Quai d'Orsay to the prime minister's Matignon office, should Mr Chirac make it to the Elysée palace. The 49-year-old Mr Juppé has won a reputation as one of the most able members of the Balladur government, playing a key role in the French success in the Gatt negotiations of 1993 and in the country's intervention in

The pro-European face of Mr Chirac's entourage, he is committed to anti-inflationary economic policies, a strong franc and a reduction in the public sector deficits. Such views were of value last week when Mr Chirac struggled to defuse a dispute over monetary policy and his criticism of the governor of the central bank. A graduate of the ENA postgraduate school which serves as a training ground for the elite of the civil service. Mr Juppé is the acting president of the Gaullist RPR party and is

one of the architects of Mr Chirac's populist strategy, the 52-year-old Mr Séguln Is another potential prime ministerial candidate should the mayor of Paris succeed President François Mitterrand.

of the anti-Maastricht movement in France, Mr Séguin has toned down his Euroscepticism since the 1992 referendum. However, doubts remain

about his commitment to a strong franc and European of France in last week's exchanges.

Partly because of his style and the question marks about mnnetary and European

ALAIN MADELIN, the third of Mr Chirac's campaign musketeers and minister for small husiness and enterprise has been a mayerick on many issues. A champion of

supply-side economics and deregulation. he has previously advocated a floating franc and breaking its link with the D-Mark. This, however, was in 1993 and he now argues that improved convergence between the French and German economies means the currency

One of the freer spirits of the French political scene, the 49-year-old Mr Madelin has acted as Mr Chirac's economic adviser during the campaign. belging to win votes from industry and the small husiness sector. A strong advocate of pensions reform, he has introduced tax incentives to encourage retirement schemes hy

The earliest and the most prominent minister from the UDF to back Mr Chirac, he may be rewarded with a powerful cahinet post.

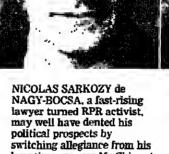


CHARLES PASQUA, 58, is the hluff, tough bear-like and powerful minister for the interior and for regional development whose political and personal roots are in Corsica. A populist and long-standing advocate of free

nationality laws.
While associating himself clearly with Mr Balladur's allegations that he was sales to Iran in March.

tightening of French

Mr Pasqua has made favourable comments about Mr Chirac's candidature in recent days, an indication that he has an eye on the future, and his wide-ranging connections within France, as well as much of the Middle East and Francophnne Africa and beyond, may well ensure his survival in some



right-hand man in the as "an economist in short pants", the diminutive Mr Sarkozy, 40, expanded his portfolio rapidly during Mr Balladur's premiership to become budget minister, the main government spokesman

FRANCOIS LEOTARD, the 53-year-old minister of defence, has probably jeopardised his chances of political promotion from Mr Chirac hy allying himself so closely with Mr Balladur In the pre-election campaign. After working as a civil servant at the ministry of fnreign affairs he become minister of culture and communication in 1986. He then took over the defence portfolio in 1993, maintaining France's tough independent

Recently he has devoted himself to dominating the Republican party, the main body within the UDF, and may well prove to be its chosen presidential candidate next time round. In the meantime he might find consolation from his 1989 book "During as well as one of his more exotic hobbies: that nf parachnting – which is also the French word for moving between senior positions in often entirely unrelated organisations.

military stance.

Rwanda last year.

PHILIPPE SEGUIN, the chain-smoking president of the National Assembly, is the rough to go with Mr Juppé's smooth. A grassroots Ganllist and

One of the champions

National Assembly chief could not resist a swipe at the Bank

policy, Mr Séguin may prove a better bet as the next leader of the Gaullist party.



cnterprise, he stands on the far right of the RPR party, reviled by those on the left for policies including his

presidential hid, he has taken something of a back seat in the campaign, not least after involved in illegal equipment

long-time sponsor Mr Chirac to become Mr Balladur's Dubbed hy Mr Alain Juppe

and, late last year. communications minister. In the short-term, some reports have suggested that Mr Sarkozy will re-garh himself In his advocate's gown, but he is unlikely to be satisfied with life in the political wilderness in the low-profile setting of the courts for long. He has already this week hinted that the victory for Mr Chirac is far from assured, suggesting that he intends to try to persuade the rival camp of their need for his support.

# the crisis the show goes on",

# Ruhrgas accused of trying to keep out competition

By Judy Dempsey in Berlin

poised to become mayor of

Bordeaux in elections in June.

Ruhrgas, Germany's higgest gas importer and distributor, was yesterday accused by a rival of using anti-competitive tacties to maintain its dominance of the domestic market. Wintershall, the gas subsid-

iary of chemicals group BASF.

said the German gas giant was

seeking to block its attempt to

huy 1hn cubic metres of gas a

year from Saga Petroieum

producer. The deal would give Saga an important foothold in the German gas market.

According to energy experts. Ruhrgas, which controls more than 80 per cent of the German market, opposes the Saga-Wintershall deal because it could lead to lower prices in Germany. But an official at Wintershall, which controls only about 6 per cent of the market, said: "We would give the con-

Deutschland, a Norwegian gas sumer choice. It would mean competition which Ruhrgas is afraid of."

However, Saga must first win approval for the deal from the Norwegian Gas Negotiating Committee (GFU) - in effect a cartel regulating Norway's gas sector. Apart from Saga, the GFU also consists of Statoil which has long-term large delivery contracts with Ruhrgas - and Norsk Hydro, one of Norway's largest producers.

The GFU will meet tomorrow to decide whether to give Saga the go-ahead. But officials at Wintershall said Ruhrgas had lohbied the committee to block approval. "Ruhrgas is doing everything in its power to prevent the gas deal from going ahead," a Wintershall official said. "It wants to hold on to its market share and hinder any competition in the German gas

denied they have put pressure on the GFU. "How can we influence the decision? The Norwegians can make up their own minds, independent of what we think," a Ruhrgas spokesman said. As a big customer of Statoil, Ruhrgas is, however, in a

strong position to influence the outcome of tomorrow's meeting. If the deal went ahead it would allow Saga a first step in Ruhrgas officials have the German gas market. It

would also allow Wintershall the opportunity to diversify its gas imports, which currently depend on Gazprom, the Russian state-owned gas company. Nearly 75 per cent of west Germany's gas is imported, of which 15 per cent is supplied hy Norway; east Germany

from Russia, with the remain der produced domestically. A decision by the GFU in favour of Saga would boost the

nies like Wintershall to enter. Wintershall, which was founded in the 1980s by BASF, a large consumer of energy, has invested more than DM3hn imports 62 per cent of its gas (£1.36bn) in the past five years in building separate pipelines and storage facilities to strengthen its market position.

ا صكدا من الاعل



TENDAY APRIL 35 M

بين ماند Chiama Dang Street Fallant an tendar

الله ما دسومه المعادد والإيراث فالمعاور بالمحاشة The Sections of متوادية وسراري AT ALL PLANT THE STREET THE mire street of the استد



ماليات معاهد ~~~~~~~ .. .. . . . . . . . Neither political bloc able to win Italy The two broad alliances shared votes in regional elections, writes Robert Graham than 17 per cent in its northern now dominating Italian heartland; while RC won close

share of the vote.

per cent for the centre-left alli-

ance, controlled by the former

communist Party of the Demo-cratic Left (PDS).

Italy's 47m electorate were

treated by all the main parties

as a trial run for e general elec-tion which now looks most

likely to be held in the

autumn. If the results were

projected into a general elec-

tion on the basis of the present alliances, then the country

would he roughly divided

between the centre-left and the

right - with neither enjoying a

clear majority in parliament.

The balance would be held

by two maverick political

groupings: the populist North-

ern League of Mr Umberto

Bossi, and Reconstituted Com-munism (RC), formed from the

hard left of the old Italian

Communist party. The League

managed to retain 7 per cent of

the national vote and more

By Michael Lindemann in Bonn

Deutsche Telekom, the state-owned German telecoms

operator, yesterday attacked

plans for the liberalisation of

the domestic market after 1998,

saying it would be subject to

too much regulation while the most profitable business would

be poached by its competitors.

In its first reaction to the

deregulation plans unveiled

last month by Mr Wolfgang

Bötsch, minister for post and

telecommunications, Deutsche

Telekom said it would be left

with unprofitable activities

such as a nationwide telephone

service, while smaller rivals,

which would not be subject to

such stringent-regulation

politics emerged from to 9 per cent of the national yote. Thus together they regional and local elections on Sunday with an almost equal account for about 15 per cent; the overt support of either one of these would probably be The rightwing coalition, headed by Mr Silvio Berlusdecisive in forming a governconi, the former prime minisment if the other stayed on the ter, was slightly ahead with just less than 43 per cent. This compared with more than 41 Both these groups helped

force Mr Berlusconi from office in a no-confidence vote last December. Since then they have partly or fully backed the administration of Prime Minis More than 90 per cent of ter Lamberto Dini in parliament. For instance when Mr involved in the poll and it was Dini pushed through his minibudget last month, 16 of RC's 39 deputies broke party discipline to endorse the measures, allowing them to pass.

These two parties will now

be under enormous pressure to tre-left alliance to deny Mr Berlusconi's wish of s general election in June. This means allowing Mr Dini to press ahead with the remainder of his limited mandate - aiming for a general election in October. The top priority is to push through reform of Italy's costly state pensions system, which may take RC deputies some convincing to support as it will mean cuts in benefits.

Moreover, the League has

free to target the Jucrative cor-

Nothing will stop compa-

nies competing with Deutsche

Telekom from becoming free

riders," says a 47-page Deut-

sche Telekom document leaked

in German newspapers. While Mr Bötsch's plans to

allow almost unlimited access

to the market after 1998 have

won him praise from the mar-

ket, he is set for a showdown with Mr Theo Waigel, ths

finance minister, who has

warned him not to disadvan-

tage Deutsche Telekom and

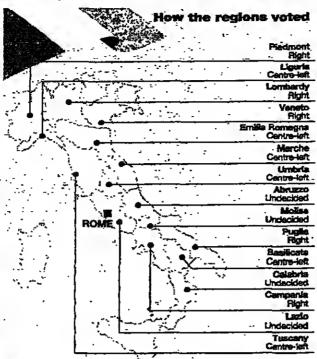
jeopardise its DM15hn (\$10.9bn)

In a first counterattack to

Deutsche Telekom's criticism,

listing next year.

norate sector.



of the Popular Party (PPI)

by sources within the company

that it welcomed the opening

of the market to as many com-

petitors as possible because it

was easier to deal with many

small rivals than with a hand-

Meanwhile, sources within

Deutsche Telekom suggest that the company's criticism of the

deregulation proposals could

harm its chances of sealing its

alliance with Sprint, the third-

largest US long-distance car-

rier. US authorities have

threatened to block the alli-

ance until they receive assur-

ances that the German tele-

communications market would

he extensively liberalised.

Some of the US concerns have

since been addressed under Mr-

ful of larger ones.

were quietly ignored on Sunday as the parties fell behind s single candidate in at least two regions.

coalition – consisting of Mr Berlusconi's Forza Italia, the rightist National Alliance of Mr Gianfranco Fini and the small Christian Democratic Centre (CCD) - looks far more

the satisfaction of seeing his Forza Italia movement retain its distance in terms of votes from Mr Fini's National Alliance. If National Alliance had increased its share of the vote to 20 per cent, rivalling the 23 per cent of Forza Italia, this would have made Mr Fini a much more immediate challenger for the supremacy of the coalition. Instead, his party hovers around 16 per cent and be remains the junior partner. But any satisfaction Mr Berlusconi might have had in his coalition gaining the most votes was more than offset by the result being considerably less than he both wanted and predicted. He had hoped these elections would prove a form of plebiscite, endorsing a quick return to the prime minister's office from which he was

He had also expected a far bigger flux of votes accompanying the defection to his ranks of Mr Rocco Buttiglione, the leader of the PPI. Instead

forced to resign after the no-

have stayed on the centre-left with the rest of the PPL This was one element helping the centre-left alliance to do better than expected. Row much the increasingly striden Mr Berlusconi has also had

tones of Mr Berlusconi himself played in diminishing his attraction is still hard to tell. However, the PDS, beaded by Mr Massimo D'Alema, has for the first time received tha most support, with 25 per cent of the The formidable nationwide

organisational structure of the PDS has also ensured that the traditional red belt regions (Emilia Romagna, Tuscany and Umbria) have been retained while capturing a total of pos sibly nine of the 15 regions. Mr D'Alema had forecast that the centre-left would win

seven, whereas Mr Berlusconi had claimed his coalition could capture 10. The outcome was substantially different from that forecast by exit polls on Sunday night, which gave Mr Berlusconi's coalition a clear lead with the prospect of winning 10 regions.

Yesterday the left was further reinforced as it became clear it had done well in the local council elections affecting more than 5,000 towns.

#### EUROPEAN NEWS DIGEST

# War crimes panel names Karadzic

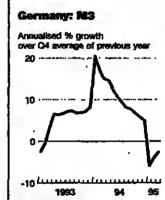
The Yugoslav War Crimes Tribunal st The Hague said yesterday it would investigate Bosnian Serb leader, Mr Radovan Karadzic for suspected war crimes. The tribunal's chief prosecutor, Mr Richard Goldstone, also named Bosnian Serb army commander, General Ratko Mladic, and former Bosnian Serb special police chief, Mr Mico Stanisic, as suspects. UN officials acknowledged privately that the timing of the announcement might complicate negotiations to extend the much violated truce in Bosnia, which expires at the end of the week. It came after a weekend when relations with the Bosnian Serbs reached a new low, with the Serbs threatening to stop mediators visiting Sarajevo. Meanwhile, Germany yesterday extradited the only suspected war criminal in custody, Mr Dusan Tadic, to Holland. Mr Tadic, a Serb, is accused of killing, raping and torturing Croat and Moslem prisoners in 1992. Paul Adams, Belgrade

#### Dutch bank urges debt curbs

The Dutch central bank yesterday called on the government to step up its efforts to cut the country's public debt and prepare the Netherlands for European monetary union by the end of the decade. At the launch of the bank's 1994 annual report, Mr Wim Duisenberg, bank president, said that "in terms of of public debt, we are not well placed". The Netherlands' public deht was still likely to represent slightly less than 80 per cent of gross domestic product in 1996, the first year in which countries' eligibility for Emu will be assessed. This would be well above the Emu norm contained in the Maastricht Treaty. Mr Duisenberg said recent turmoil oo currency markets underlined the need for greater vigour in pursuing economic convergence in Europe. Ronald van de Erol, Amsterdam

#### ECONOMIC WATCH

# German M3 falls below target



money supply growth again fell below the Bundesbank's target range during March, shrinking by an annualised 2.6 per cent relative to the average rate in the last quarter of 1994. However, economists noted, the month-on-month rate rose for the first time since last September, supporting the central hank's claim that M3 was tending to return to "normal" and expand within 10 the annualised target range of 4-6 per cent. Main influences on the March data included a

Germany's M3 measure of

renewed decline in the rate of lending to the private sector and a sustained shift of liquidity into long-term deposits outside the scope of M3. Compared with the final quarter of 1993 - which some economists, consider a more reliable gauge of the underlying trend - M3 grew at an annualised 3.6 per cent. Christopher Parkes,

■ Danish consumer prices in March were 0.3 per cent up from February 1995 and 2.5 per cent higher than in March 1994.

Switzerland recorded a trade deficit of SFr449.1m (£245.7m) in March after a revised SFr213.9m in Fehruary.

alliance with the RC. The same stance has been taken by the small but influential left wing

which is the most centrist element of the centre-left alliance.

In contrast, the rightwing

Deutsche Telekom is worried

about its prospects post-1998 when it will be subject to

stricter regulation because of

its "market dominating" posi-

the proposal on "market domi-

nance", the company has

argued that this principle

should also be applied to niche

sectors such as mobile commu-

nications, where some competi-

tors have strong positions.

Deutsche Telekom has also

demanded that a fund be cre-

ated into which competitors

would have to make payments

to guarantee the provision of

the so-called "universal tele-

phone service", a proposal in line with suggestions made by

In an effort to water down

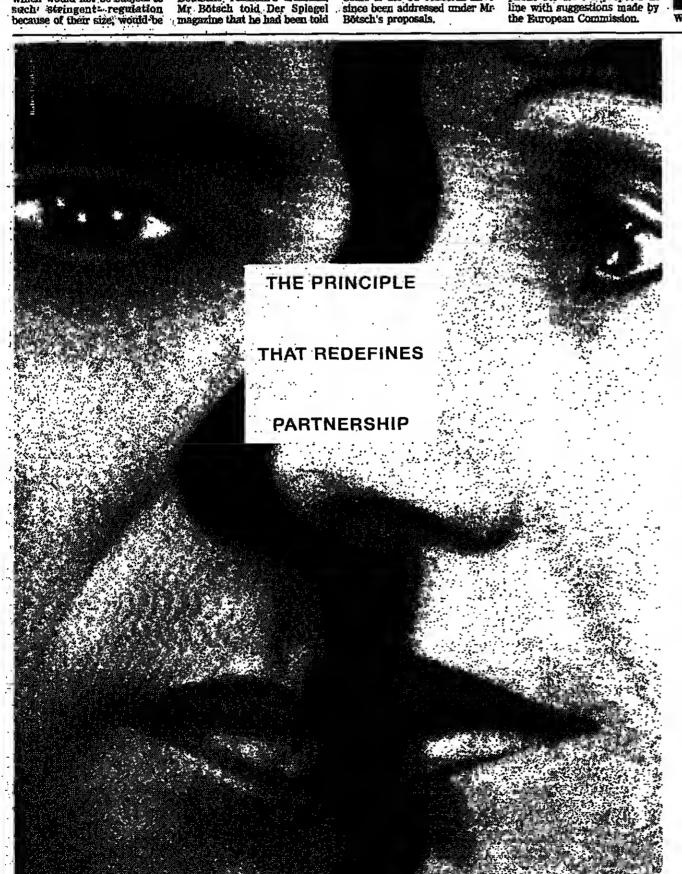
tion in Germany.

This said, these objections



Wolfgang Bötsch: plans have won praise from the market

### PATHWAYS TO PARTNERSHIP.



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# Gun law repeal drive suffers setback

By George Graham in Washington

The National Rifle Association and other groups opposing controls on gun ownership have been quick to condemn last week's bombing in Oklahoma City and to urge the death penalty for those found guilty of the attack.

But as the investigation centred on extremist opponents of gun control. more mainstream gun lobbyists, too, may have suffered a setback in their efforts to roll back restrictions on gun ownership.

Mr Wayne Lapierre, the NRA's executive vice-president, said his organisa-tion had "nothing but contempt for terrorists or hate groups that attempt to

disguise themselves as patriots". But gun control advocates said the

focus on paramilitary extremists as a result of the Oklahoma bombing should mobilise their supporters and strengthsn their chances of blocking the NRA's efforts to repeal a ban on 19 types of assault weapon which was passed last year when Congress was still under Democratic control.

"The main rationale of these groups is that they want to have as many different kinds of guns as possible. I hope there will be a different tone in the Congress because of this incident," said Congressman Charles Schumer, ths New York Democrat who is one of the principal supporters of gun control in

Gun rights advocates quickly pointed out that the attack was carried out not with a gun but with explosives.

"With all dus respect, it wasn't a gun that was used here. To bring in gun control, it's an important issue, but it's extraneous to this particular discussion," said Senator Hank Brown, a Colorado Republican.

Republican leaders face a difficult tactical decision: how hard to push for the repeal of gun control measures which retain broad public support but which are fiercely opposed by some of their most committed voters. Speaker Newt Gingrich, the Republican leader in the House of Representatives, persuaded the NRA, which counts 3.5m members, to delay its drive for repeal of the assault weapons ban until he had completed his 100-day campaign to pass the bills contained in his party's "Contract with America" manifesto.

But both Mr Gingrich and Senator Robert Dole, the Republican leader in the Senate, promised the NRA that they would push for repeal this summer.

Before the Oklahoma bomb, there was little doubt that a majority in both chambers would vote for repeal, though probably not the two thirds majority necessary to override an expected veto from President Bill Clinton.

The Brady law, which requires gun buyers to wait for five days while background checks are conducted before they may take possession of a handgun, appears to be in less peril. Since the law took effect a year ago, roughly 40,000 handgun purchases have been blocked because of it, most because the buyer had a criminal record.

# Brazil curbs lending

By Angus Foster in Brasilia

Brazil yesterday tried to clamp down on bank lending in an effort to cool the economy, which is showing signs of overheating in several sectors and adding to worries about inflation.

The central bank increased the amount of reserves banks have to keep on deposit, either in government securities or cash, by 3 percentage points to 30 per cent.
The measure will reduce

banks' capacity to lend and should lead to an increase in the cost of credit.

Brazil's economy has grown by about 10 per cent since last July's launch of the Real currency. In the first quarter of this year, annualised GDP growth reached 9 per cent, which government economists describe as "unsustainable". Some industries, such as brewers and household appliance manufacturers, are operating almost at full capacity.

The government has been trying to cool the economy since late last year. But it has been unable to damp down demand, despite real interest rates of nearly 50 per cent, because of falling inflation and rising real wages.

High interest rates are also

raising concern about the government's budget, originally expected to he roughly in balance this year. The government has about \$65bn (£40.1bn) of domestic debt, nearly all of which has short-term maturities and is expensive to finance. The increase in interest rates, especially following a currency devaluation last month, is in danger of pushing the budget into deficit.

Concern about consumption has heightened hecause monthly inflation, below 2 per cent until March, is showing signs of increasing. It could go through the psychologically important barrier of 3 per cent a month by June, according to some economists.

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elevision images of and strikes took place in sev- the state sector, selling the police repression are, at

Argentina: trouble in the regions

UNIONE WHICH DRIVE OUTSTRACE protests seek to create coalitio

teachers and judicial staff in probabilisms falling to get

Cordoba Datay in wages to public employees result in

meso demonstrations and

two one day general strikes.

Rio Negro Regular prof

TV assembly plant after its

one worker shot dead.

sporadic strikes due to

adopted since 1991.

. The government's only nswer to social problems has been repression, says Mr José Octavio Bordon, presidential candidate for the Frepaso coalition, and Mr Menem's closestrival in next month's elections. The vice-presidential candidate for the left-wing Alianza del Sur, Mr Carlos Imizcoz, says the Ushuaia incident marks the "beginning of the end" for the government's norestrained. free-market model.

Partly in response to the shooting, and partly because of crunch that has left many provincial administrations in poor financial condition, a rash of protests has swept the country. Last week there was a national general strike. There was a separate stoppage in Córdoba in support of unpaid civil servants, while sit-ins, marches

eral other regions including Chaco, Neuquen, Entre Rios, San Juan, La Rioja, Rio Negru Salta and Buenos Aires.

renewed street protests in ern province whose popular uprising 15 months ago

riots, in which six people died, commentators drew parallels with Mexico's Chiapas uprising and many called for a slowdown of Argentina's free marcould not simply be abandoned to their fate, they argued:

mies. This, they argue, is the

When I arrived in Santiago,there had been a total collapse of the state apparatus," says Mr. Juan Schlaretti, the interpentor, or federal administrator sent- by President Menem to replace the elected, though discredited, provincial govern-

Next, he set about reducing the provinces. ...

# Unrest in provinces may hit Menem's re-election

Violent images may cost votes, writes David Pilling

the best of times, inconvenient for democratic governments. When they are broad-cast nationwide only a month before presidential elections and depict events in which a member of the mublic was shot dead, they can be positively

Violent clashes earlier this month in Ushuaia, Tierra del Fuego, which followed the sacking of several hundred workers from a television assembly plant, have rekindled debate over the free-market policies that Argentina has

Opposition politicians have leapt on the Ushnaia incident, accusing President Carlos Menem of indifference to the fate of outlying regions and to record unemployment of 12 per cent. Many provincial economies have suffered as Argentina has opened its borders to foreign competition, critics There have also been

Santiago del Estero, the northbrought Argentina's provincial crisis to international atten-At the time of the Santiago

ket reforms. Poor provinces

But the government maintains that provinces such as Santiago must restructure their moribund, state-dominated econoonly antidobe to years of waste. and routine corruption.

Mr Schiaretti says Santiago,

like many other poor Argentine provinces, suffered from decades of "feudal" rule. One of the country's poorest regions Santiago had been running a monthly budget defitent jobs. These simple measures saved \$10m a month, he

electricity company, and unloading the debt ridden provincial pension fund on to the federal government. Three tourist complexes and an abat-toir were privatised. "We even sold the casino, one of the few in the world that was actually losing money," he says.

Mr Schlaretti says Santiago's,
books are now halanced and social spending has been increased.

But there are those who bitterly oppose Mr Schiaretti's policies, which are the govern ment's preferred solution to provincial problems nationwide. Among them is Mrs Alba Luna del Castillo, leader of ATE, the public sector employees union. She opposes privati-sations and the shrinkage of the state sector. There are, she argues, simply no other sources of work in the

These policies of Jeconomy minister Domingol Cavallo are killing the regional economies, she says, lamenting what she calls pointive treat ment of small companies in

favour of corporations. Dissenting voices like those of Mrs Lune del Castillo can be beend in many poor provinces. Some (opposition (politicians, perhaps more in hope than conviction, are predicting a social explosion. With the exception of Santiago del Estero and Ushnaia, though, provincial protests have sel-domiled to serious violence. - But Ushuaia in particular the Mexican-provoked credit cit of \$14m (£8.6m). Mr Schiar and national narest generally, financial order hy cutting content is not as much under excessive public salaries and control as the government by weeding out political would like to believe. The next appointees paid for non-exist government; be it led by Mr Menem or not, is likely to suffer many a setback in its quest to carve out a viable future for

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# INTERNATIONAL ECONOMIC INDICATORS: PRODUCTION AND EMPLOYMENT

Yearly data for retail sales volume and industrial production plus all data for the vacancy rate indicator ere in index form with 1985=100. Quarterly and monthly data for retail as and industrial production show the percentage change over the corresponding period in the previous year, and are positive unless otherwise stated. The unemployment rate is also as a percentage of the total labour force. Figures for the composite leading indicator are end-period values. I UNITED STATES JAPAN

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# Judge gives heart to Microsoft

By George Graham In Washington

Microsoft and the US Justice Department appeared to gain ground yesterday with their appeal against a lower court judgment throwing out the anti-trust settlement the two sides reached last year.

Judge Harry Edwards, one of three judges hearing the appeal yesterday, said case law made it "absolutely clear" that Jndge Stanley Sporkin was overstepping his authority when he threw out the antitrust settlement.

The settlement has been widely criticised by Microsoft's competitors as doing little or nothing to break the industry

A delegation of European

bankers is to fly to the US

early next month to lobby poli-

ticians and central bankers

against elements of proposed

reforms to the 1933 Glass-

Steagall Act, that separates

commercial banking from

investment banking.
While supporting the princi-

ple of the change, non-US

bankers fear the most likely

version of the reform will leave

them at a disadvantage to US

banks. They have already

made known their concerns to

legislators and the Federal

stranglehold created by the dominance of Microsoft's DOS and Windows computer operating system software.

Judge Sporkin agreed when he rejected the proposed Micro-soft consent decree in February. He argued it would fail to "effectively pry open to compe-tition 6 market that has been closed by defendant's illegal restraints" because Justice had only attacked a narrow segment of Microsoft's monopoly

But the Justice Department complained that Judge Sporkin went beyond his judicial role in questioning unrelated areas Microsoft's business activities that were not the object of

Their main concern is the

man Jim Leach, chairman

financial services competitive-

oess bill introduced by Con-

of the House banking commit-

Mr Robert Rubin, US Trea-

sury secretary, has suggested

that Glass-Steagall be reformed

to allow banks to deal in secu-

rities through direct subsid-laries, rather than through a

walled-off subsidiary of a com-

mon holding company,

whereas Mr Leach's reform

plan insists on preserving the holding company structure.

His bill proposes that one of

the conditions for a bank to

qualify as an "investment bank

A Justice Department lawyer yesterday called Judge Sporkin's position "totally misguided," and said the settlemeot reached with Microsoft represented 6 "reasonable end" to the department's lengthy investigation of the software giant. Other branches of the computer industry, however, criticised the settlement at yesterday's appeals court hearing in Washington.

Mr Ed Black, president of the Computer and Communications Industry Association, a trade group which argued yes-terday as a friend of court, said the settlement "clearly fails to provide remedies necessary for healthy competition." "Under the proposed settle-

tected by deposit insurance

This would mean that a

hanking group which acted solely as an investment bank

in the US but took deposits in

its home country would be in a

different position from US

investment banks. It would

have to turn all its banking

operations in the US into sub-

sidiaries, causing extra

expense and fragmenting its

capital.
Sir Nicolas Goodison, president of the British Bankers'

Association and chairman of

operating system it controls, thus effectively barring other firms entry into competition with Microsoft's products," Mr Black said. Microsoft's shares fell last week amid concerns that the Justice Department might impose strict conditions on its

proposed acquisition of Intuit,

ment, Microsoft could still cre-

ate incompatibilities with the

a maker of personal finance software. Competitors have been worried that Microsoft might inte-grate Intuit's Quicken software

into its planned on-line network or into the updated Windows 95 operating system it intends to release later this

tion delegation.

Worried European banks to lobby US holding company" is that it the three-strong UK element to should not take deposits pro-

> the issue with the Bank of Barclays and National Westminster, which have significant US operations, are among the UK banks most concerned about the possible legislative

He has already written to Mr

Alan Greenspan, head of the

Federal Reserve, oo behalf of the BBA and has also raised

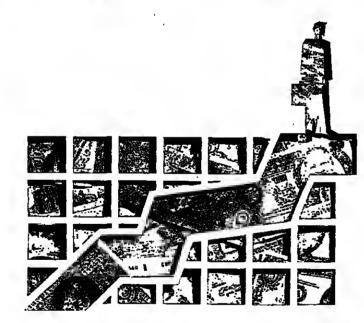
Underlying the arguments of European bankers is the belief US and non-US banks should be treated equally when carrythe TSB group, will be one of ing out the same business.











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rues David Pilling

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# stick to buying yen bonds

By Gerard Baker in Tokyo

The reinctance of large Japanese financial institutions to invest in foreign currency denominated assets was underlined yesterday when one leading public-sector investor said it remained cantious about hnying anything other than

The post and telecommunications ministry's Post Office Life Insurance Burean said the need to avoid exchange-rate risks forced it to give priority to yen-denominated fixed-interest securities in its asset allocation plans for the cur-rent financial year. The hurean invests funds collected through its life assurance and postal savings schemes.

Mr Shigetoshi Takagi, direc-tor-general, denied the ministry had unloaded large holdings of foreign bonds to minimise the effects of the yea's rise against the US dolar and other currencies.

Latent exchange losses from investment of the life assurance scheme's funds at the end of last month were estimated to have stayed little changed from the Y910hn (£6.8hn) recorded a year earlier. Losses from investment in dollar-denominated honds had been partly offset by profits from investment in bonds denominated in European currencies.

The unwillingoess of Japa-nese investors to purchase US dollar stocks and bonds has been one of the driving forces hehind the yen's surge in recent months.

Life assurers and pension funds were heavy hnyers of dollar assets in the 1980s, but saw the yen value of their pur-chases decline as the Japanese currency rose.

At the start of the new financial year each April, institutions indicate their preferred investment allocations for the coming year. So far, top institutions have all indi-cated they will be further cutting back their allocations of foreign currency denominated

# Japanese Mixed welcome awaits N-cargo Tamil Tigers

Emiko Terazono visits a Japanese village set to receive nuclear waste



Police remove a demonstrating Buddhist monk at the port of Mutsu Ogawara, while engineers reh

totalled some Y40bn. Visitors to the village are struck by a large modern gymnasium and a new history museum. A golf course is being built near the

Mr Tsuchida says the inflow of companies involved in the running and construction of the site has changed the attitudes of the provincial and conservative Rokkasho villagers, who have become more

But the imminent arrival of the high-level waste shipment has fuelled cries from environmentalists. The leading concern is that of safety, which has become more pressing than ever since the Kobe earthquake in January.

The Aomori region was hit hy an earthquake last December, and local opposition declining population, have groups have published photo-

graphs of cracked roads and a damaged quay at a fishing port only a few miles away from the nuclear site.

Anti-nuclear groups reject the government's assurances safety, pointing out that the site is close to possibly active faults and could be vulnerable in the event of an earthquake. Some geologists are worried about the marshy nature of the area where the facility is built.

The Aomori municipality has refused permission for permanent storage and since last December, when the government reached an agreement with Rokkasho and the municipal government to limit the length of storage to 50 years, the government has been forced to look for alternatives, including the northern island

dubbed the country's nuclear programme a "flat without a tollet", and some villagers are worried that the central gov-ernment may eventually backtrack on the agreement since the legality of the letter of intent signed at the end of last

year remains vague. Citizens' organisations and concerned geologists have taken the government to the district court, demanding a withdrawal of its construction

permit for the facility's plants. Most of the villagers have become quiet now that part of the site is operational and construction of other plants are well under way. Although antinuclear activists gathered around Mutsu Ogawara port yesterday, only a handful of residents joined them.

Mr Yosaburo Takada, a local

idents fear speaking out since most will have someone in their families with a job connected to the nuclear facilities. He claims to have tried to organise a petition opposing the site, but people were reluc-tant to sign their names. "People are against it inside but are

afraid of showing it," he says. Mr Takada, pointing to a picture on his wall of himself with prime minister Mr Tomiichi Murayama before his party became part of the ruling coalition, claims that he had received assurances that the facility's construction would be halted. Once in power, the socialist party quickly dropped its platform opposing nuclear

Says Mr. Takada: "I thought he would support us when he became prime minister.

# deny closing door to peace

By Shiraz Skihva in New Dalhi

Sri Lanka's Tamil Tiger rebels fighting for a separate home-land in the island's north and east yesterday denied they had closed the door to peace, but demanded the government come up with a fresh initiative to prevent a slide back to civil

The Liberation Tigers of Tamil Eelam (LTTE) blamed renewed fighting on the gov-ernment's failure to satisfy its demands by an April 19 deadline. Last week a series of LTTE attacks broke the fragile ceasefire, leaving at least 48 soldiers and 20 guerrillas dead and jeopardising promised

In a statement released in Colombo yesterday, the rebels said they had not closed their mind nor their doors towards an eventual durable peace". It was up to the government to offer an initiative to resume talks on the 12-year ethnic conflict in which more than 30,000 people had been killed, the statement added.

The LTTE denounced the government's easing of an economic embargo against the northern rebel stronghold of Jaffna in March as a ploy by the government of Mrs Chandrika Kumaratunga to satisfy foreign aid donors meeting in Paris this week.

The LTTE's demands include the dismantling of an army camp in Jaffna, the complete lifting of an economic 45 others.

ASIA-PACIFIC NEWS DIGEST

armed fighters in the east, and the relaxation of fishing restrictions around the northern coastline. President Kumaratunga

Sri Lanka rebels denounce easing of embargo on Jaffna as a ploy to satisfy foreign

aid donors

called the LTTE attack a "tem-porary setback" and said her government was committed to peace "with or without LTFE

participation".
"It is apparent that the LTTE is not prepared to make an effort to achieve the aspirations of the Tamil people for peace," she said, addressing a rally on Saturday.

The rebels have been severely criticised by the international community following the resumption of hostilities on April 19, when a suicide squad attack on two naval vessels in the eastern port of Trincoma-

lee killed 12 sailors.
On Saturday the LTTE attacked the Kaddumuruvikulam jungle detachment army camp at the junction of Batticaloa, Polonnaruwa and Trincomalee districts, killing at -least 29 soldiers and wounding

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#### The opposition camp has fisherman, says that many res-Malaysian poll Voters snub the mainstream parties again

the company's site.

in February

The 112-tonne flask contain-

ing 400kg of high-level radioac-

tive waste from Japanese fuel

reprocessed at the La Hague

nuclear reprocessing plant run

the French port of Cherbourg

On arrival the flask, radiat-

ing heat of up to 85° C, will be

transported to the nuclear fuel

cycle facilities at nearby Rok-kasho where the waste will be

lowered into underground stor-

"We are ready for it," says Mr Takahisa Nemoto, general manager at JNFL, confidently.

However, the residents of Rokkasho, a former fishing and

farming village, have mixed

feelings. Some, including Mr Hiroshi Tsuchida, the mayor, point out the economic and

social benefits of the construc-

tion of the Y1,260bn (£9.46bn)

nuclear facility, which - with its waste storage, uranium

enrichment and plutonium

reprocessing plants - is central

With nuclear energy already

accounting for 30 per cent of

electricity generation - the

country has nearly 50 nuclear

power plants and more on the

way - the scale of the nuclear

Government subsidies to the

region, which like other pro-

vincial districts in the country

suffers from an ageing and

commitment is set to rise.

to the country's plutonium pro-

Disgruntled Japanese voters delivered another snub to mainstream political parties in the second and concluding round of local elections over the week-

The final returns, counted yesterday, showed politically independent candi-

its in the poll, mainly at the expense of the Liberal Democratic and Social Democratic parties, the largest members of the government coalition.

Tokyo and Osaka, fell to an ex-actor and an ex-comedian.

Both elections are widely seen as a register of voters' disfilusion with polit-

month's gas attack on the Tokyo subway, and two less serious repeat attacks in Yokohama.

#### ical parties and the bureaucracy, at a time when public sentiment is one of dates won a record 31 of the 86 mayoral seats up for re-election, up from 27 four years ago. Independents also took 60 out, confirm the humiliation delivered to the political establishment in the first round of local elections two weeks vulnerability. Confidence has been fractured by an extraordinary run of crises: per cent of the municipal assembly ago. Then, the two most powerful local government jobs, the governorships of the Kobe earthquake in January, the upheavals in the currency markets, last

These results, in a 60 per cent turn-Sri Lanka and Bangladesh to

By Peter Montagnon, Asia

Sri Lanka and Bangladesh are to meet international donors in Paris this week in a test of an aid climate that is looking more difficult.

Pakistan last week received commitments worth "a few hundred million dollars" more than the \$2.3bn (£1.4bn) it was seeking according to a World Bank official, but it is uncertain whether the other countries will be as lucky.

Part of the problem is dwindling enthusiasm for aid among industrial countries, a mood especially pronounced in the new Republican Congress in the US, but circumstances within Sri Lanka and Rangladesh have also made some donors cautious. In talks with donors today

and tomorrow, Mr Saifur Rahman, Bangladesh's finance minister, is likely to seek around \$1.85bn in new aid disbursements in the coming This is somewhat higher

bursements have been running in recent years. However, calculations by the World Bank, which is organising the meeting, show that the country still has \$4.5bn in unused aid commitments despite efforts by the govern-

than the level at which dis-

Donors have been increas-

ment to speed project imple-

ingly reluctant to put new money into the country. because of what they say is the poor quality of its public

administration. Sri Lanka, whose case will be discussed on Thursday and Friday, can expect pledges of around \$700m, international officials believe.

There was no donors' meet-ing for Sri Lanka last year because the country was immersed in elections, but the figure would be lower than the \$848m in pledges received in 1993.

Sri Lanka is the most prosperous country in South Asia with gross domestic product per capita of \$600, but a recent study by the World Bank says growth has been slowed by the still unresolved conflict between the government and the Tamil separatists.

If poverty is to he reduced further, the government must do more to rationalise the tax and trade regime, deregulate foreign investment and reform the land and labour market, the study said. This should be accompanied by reform of social services to ensure they

are directed to the truly poor. Western economists have argued that economic reform will not bite without a permanent cessation of hostilities because of the continuing drain on the island's resources of defence expenditure, estimated at about \$300m this

Hanoi preservation plan Vietnam has unveiled plans aimed at preserving the old test aid climate

Vietnamese quarter of Hanoi, the official Vietnam News reported yesterday. The government has approved a scheme focusing on preservation of allowways, pagodas and crumbling old tea-houses and restoring temples, pagodas and churches. In January, Vietnamese writers urged the mayor not to let a building boom destroy the city's architecture. Reuter. Hanoi

in second phase

The overwhelming majority of Malaysia's electorate, located in

peninsular Malaya and coastal Borneo, votes today in the

Prime Minister Mahathir Mohamad's National Front coelition

fundamentalist Parti Islam hope to win support in Penang and

192-member Parliament. The National Front has won 11 seats uncontested. Voters also are choosing legislative assemblies in 11 of Malaysia's 13 states. AP, Kuala Lumpur

second phase of the country's two-day national elections.

is expected to sweep the polls, probably retaining its two-thirds perliamentary majority. The opposition Chinese-based Democratic Action party and the Moslem

Kelantan respectively. Polling began yesterday in remote areas of Sabah and Sarawak. Voting is to elect a new

■ The Philippine trade deficit fell sharply in February to \$354m (2220m) from January's \$696m. The deficit stood at \$422m in February 1994. Total trade in the first two months of the year reached a record \$5.888bm, with exports up 28.7 per cent and imports up 15.7 per cent.

■ Hong Kong's consumer price index rose 0.5 per cent in March from February, giving 9.5 per cent year on year inflation largely attributed to the slide in value of the US dollar, to which the Hong Kong dollar is pegged. ■ Singapore's consumer price index fell 0.3 per cent in March, giving year-on-year inflation of 2.4 per cent. February industrial output was up 13 per cent on February 1994. Japanese consumer confidence fell in the January-March quarter, the country's consumer confidence index fell to 44.1,

## OBITUARY

## Sir Horace Kadoorie

down 3.9 points from the previous quarter.

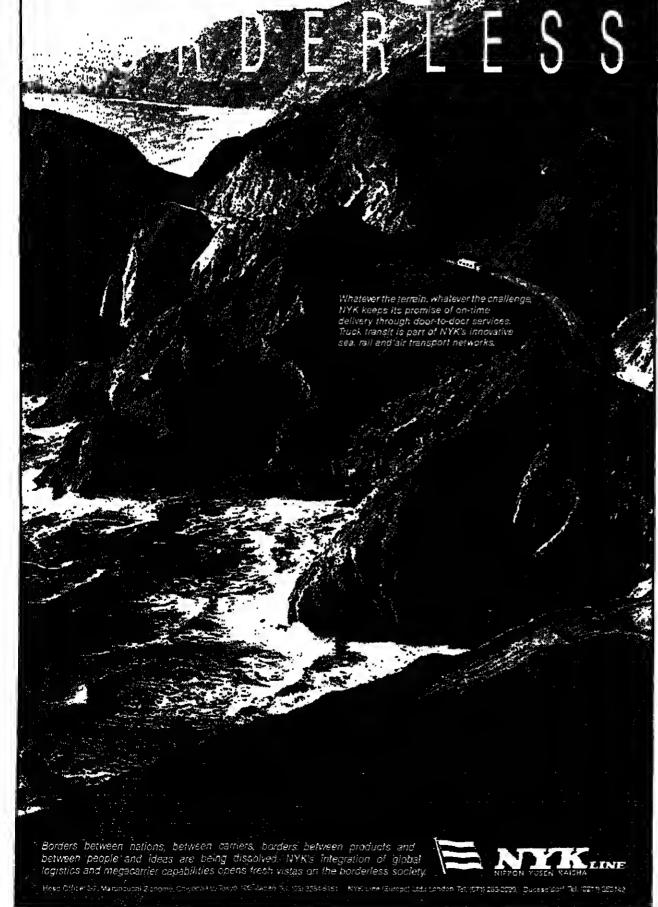
Hong Kong philanthropist Sir Horace Kadoorie, a member of one of the colony's most venerable business dynasties, died on Saturday at the age of 92, a spokeswoman amounced

Sir Horace was the younger son of Sir Elly Kadooxie, who arrived in Hong Kong in 1880 to establish a wide-ranging business empire including China Light & Power Co and Hong Kong'a famous Peninsula Hotel.

Sir Horace's brother, Lord Kadoorie, who died in 1993 aged 94, took the lead in business affairs but Sir Horace played his part as honorary life president of Hongkong and Shanghai Hotels, after serving as its chairman for 35 years until 1985.

Sir Horace and his brother received the Magsaysay Award
for public service in 1962. Sir Horace was awarded a

knighthood when he was 86 for his work in Nepal. The Nepal government awarded him one of its highest honours, the Curkha Dashin Bahn (First Class) Award, for his work in belying Gurkha soldiers readjust to rural life after leaving the British military. Reuter, Hong Kong



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# in IMF shown by Mexico'



Mr Micbel Camdessus, the

Monetary Fund, admitted yesterday that the Mexican financial crisis had exposed "a global problem with the culture of the Fund". Two days before the IMF's policy-making interim commit-

tee holds its spring meeting, Mr Camdessus conceded that the organisation had made mistakes in failing to react quickly enough to the development of Mexico's problems. But he added that the situation had been made difficult to deal with by a political vacuum in the country during the second half of last year.

An internal inquiry into the IMF's handling of the Mexican crisis has been carried out by Sir Alan Whittome, the former head of its European section. Mr Camdessus said Sir Alan had concluded that the IMF was concentrating too much on problems countries faced with the current accounts of their balance of payments, but not enough on the capital account. This meant that too much attention was paid to trade patterns in goods and servicea, and too little to the sustainability of flows of investment funds. This was inappropriate in a world of massive free

flows of capital.
The IMF also relied too exclusively on its member countries for information about developments in their economies, Mr Camdessus said. He added that more use should be made of information from research centres and other

This might, for example, bave alerted the IMF more quickly to the dangers posed hy the growing proportion of Mexico's debt being held as tesobonos - short-term bonds indexed to the dollar but repayable in pesos. ... which Mr Camdessus conceded that repaid.

to give its members the benefit of the doubt when carrying out studies and making recommendations: "There is a need for more frankness or harshness when they don't want to see something," he said. He added that surveillance of economic performance was always difficult for an organisation when it was its own members that

were being surveyed. In the case of Mexico, Mr Camdessus said, the IMF may not have been close enough to events. He said he wanted to strengthen the Fund's relationahips with policymakers and have more of a dialogue both with the countries involved and independent experts. This echoed the calls last week for greater dialogue by the Institute for International Finance which represents big banks and investment managers.

Mr Camdessus also repeated his request for additions to the Fund's resources to help it cope with future crises. He said the IMF should be able to ask for money from a wider range of countries under the so-called General Agreement to Borrow. Countries' quotas - the sub-scriptions which determine each country's effective sharebolding in the IMF - should also be doubled, he said.

Plans to tackle the burden of "multilateral" debt owed by poor countries to organisations like the Fund and World Bank would also be tackled this week, Mr Camdessus said. He argued that extra help should be financed by an increase in support from richer nations, but that if substantial sums were forthcoming then the IMF might also chip in some money by selling a small amount of its

Gold sales were proposed last year by Mr Kenneth Clarke, the UK chancellor, as a way to finance an easing of multilateral debt. But Mr Camdessus said some countries were wary of Mr Clarke's plan to extend the period over which these dehts could he

# 'Weaknesses | CO<sub>2</sub> output expected to soar

A surge in energy demand in coming years will result in growing emissions of carbon dioxide, one of the main green-house gases, according to the International Energy Agency and the Organisation for Eco-nomic Co-operation and Devel-

In the annual World Energy Outlook published yesterday. the Paris-based IEA, whose members include the world's main industrialised countries, said global energy demand was likely to increase at an average annual rate of 1.7-2.1 per cent over the next 15 years.

That would take total energy demand to 10.5bn-11.5bn tonnes of oil equivalent in 2010, when fossil fuels will still account for 90 per cent of the world's sup-

As a result, world carbon dioxide emissions will increase hy 30-42 per cent by 2010, with all regions aside from central and eastern Europe registering a rise. But the biggest growth will be in fast growing developing countries. "India and China alooe account for a larger increase in emissions between 1990 and 2010 than do all OECD countries combined," the

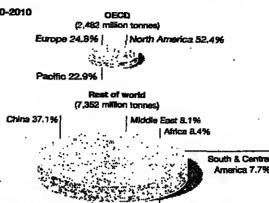
There will also be a big shift in energy consumption pat-terns. The IEA says that by 2010 the OECD countries will consume less than balf the

world's energy, compared with about 55 per cent at present. But the dependence of the mainly western industrialised world on non-OECD countries for energy supplies will grow, "raising again the issue of import dependence and its sig-nificance for energy security". The report predicts that the

OECD countries' reliance on imported oil will increase sharply over the next 15 years, especially in the US, whose oil import dependency could rise from 50 per cent to 70 per cent. Japan will remain "almost entirely dependent on foreignproduced fossil fuels".

Although oil production in countries outside the Organisa-tion of Petrolaum Exporting Countries has grown strongly in recent years, the report predicts that Opec's market share will increase from just under 40 per cent today to around 50 per cent by 2010. World demand for oil is expected to rise to 90m-95m harrels a day by 2010, compared with around 68m h/d at present.

Mr Robert Priddle, the IEA's executive director, said yesterday that "with both the supply and demand of oil shifting proportionately away from the OECD, the actions of producers and consumers outside the OECD will come to have a greater and greater impact on energy availability... and potentially, on how our econoIncrease in carbon dioxide emissions



Demand for natural gas will also expand rapidly, especially for power generation. In North America its use will grow by 50 per cent by 2010. Europe's gas demand will double, with Russia. North Africa and the Middle East supplying half the needs of OECD Europe by 2010. The consumption of solid fuels will also grow, by 1.6-2

East Asia 21.4%

per cent a year. Coal's share of the primary energy market is likely to stay relatively stable over the next 15 years, at just under 30 per cent. But there will be strong

pockets of growth that will lead to a doubling in the inter- DM129.

national trade in coal over the

Much of the coal will be used for power generation. The IEA predicts that the increase in annual world electricity generation will be 6,000-8,000 tera watt bours, requiring extra generating capacity of 1,431 gigawatts, "equivalent to 11/4 times the current gross capacity of the US and Canada". World Energy Outlook ~ 1995 Edition. ISBN 92-64-14391-2. International Energy Agency, 2, rue André-Pascal, 75775 Paris Cedex 16, FFr320 (France only).

Other countries: FFr425; \$79;

next 15 years.

Borders re-open to Palestinians

their businesses. Eric Silver. Jerusalem

INTERNATIONAL NEWS DIGEST

Israel lowers

interest rates

The Bank of Israel yesterday reduced interest rates by a

modest 0.8 perceptage points, resisting demands from the Treasury and the business sector for a 2-3 point cut. The

country's three largest banks, Hapoalim, Leumi and Discount said they would lower interest rates to 15.5 per cent on

Thursday. The reduction, the third this year, cut the rate at

which the Bank of Israel lends to commercial banks to 14 per

Israeli commentators took this as evidence that the tight monetary policy pursued by Mr Jacob Frenkel, governor of the central bank, was succeeding. This is the first year since the

inflation. Israelis, who suffered three-digit inflation barely a

decade ago, are now talking of parity with western Europe. The bank's target for this year is between 8 and 11 per cent,

The business community complained last night that Mr Frenkel was being too cautious. Mr Dan Propper, president of

the Israel Manufacturers' Association, said high interest rates

were damaging to growth, investment and the way Israelis ran

mid-1960s that Israel bas enjoyed such low first-quarter

and forecasts are that it will be down to single figures

About 26,000 Palestinian workers from the Gaza Strip and the West Bank returned yesterday to jobs on Israeli farms and building sites after Israel lifted a 10-day security closure imposed for the Passover holiday. The border was reopened to 14,000 married men over the age of 30 from Gaza and 12,000 from the West Bank.

Tight restrictions have been in force since Islamic suicide bombers killed 21 Israelis north of Tel Aviv three months ago. Before then, 60,000 labourers crossed into Israel every day. Two years ago the influx was more than 100,000. Many of their jobs have now been taken by workers from eastern Europe and Asia. Unemployment in Gaza, which is heavily dependent on access to the Israeli market, is estimated to be running at

Meanwhile, the Palestine Liberation Organisation said yesterday it was close to agreement with Islamic Jihad. the smaller and more radical of the Moslem opponents of peace with Israel, on limiting attacks on Israelis. Obstacles remained, however, in negotiations with the larger Hamas group. Eric Silver, Jerusalem

### Boesak to be sued over funds

The controversy surrounding Mr Allan Boesak, the South African cburch leader and veteran anti-apartheid campaigner, deepened yesterday with Scandinavian donors saying they would sue him for the return of missing aid funds, and President Nelson Mandela promising him a top job in the diplomatic service.

A government inquiry into Mr Boesak's role in the Foundation for Justice and Peace, released at the weekend concluded that he had not misappropriated aid funds, contradicting an earlier investigation by a Jobanneshurg law firm. Mr Mandela said yesterday he was very happy that Mr Boesak had been cleared and described him as "one of the most gifted young men in this country", Mr Mandela added that Mr Boesak deserved "a very high diplomatic position". Lawyers responsible for that investigation yesterday

described the findings of the government inquiry as preposterous and absurd. A spokesman for DanCburch Aid said in Copenhagen: "The Nordic courch organisations intend to sue Boesak in the civil courts to get their funds back." Roger Matthews, Johannesburg

# 'A new South African civilisation is in the making'

that South Africa's government of national unity had achieved far more than he expected in its first year of office, and had gone a long way toward changing some of the evils that had haunted the country for 300 years.

"Wa have had our own crop of difficult decisions to make, but we have enjoyed the challenge. I have often felt that I have spent the time very fruitfully, and in many cases beyond my wildest dream," he said. Mr Mandela was speaking at a 6.30am

breakfast meeting with foreign journalists ahead of Thursday's anniversary of South Africa's first multi-party democratic elections. He declared himself physically fit for a 76-year-old and well enough to challenge Mike Tyson, the former world heavyweight champion. But the president emphasised he would not stand for re-elec-

A large part of the past year had been spent in planning, said Mr Mandela, and people would soon begin to see the fruits

the most disadvantaged South Africans had expected overnight change, and be did not believe that there was discontent and restiveness about the pace of change.

Roger Matthews hears Nelson Mandela review his first year in office

For a start, the new government had provided free healthcare for children under six and pregnant women, and had also initiated a feeding programme that helped more than 5m children. President Mandela said it was true that the poor and homeless wanted a speedy end to their wretched conditions but they did not expect it to happen "in one fell swoop". He also praised his coalition partners, the National party led by former president FW de Klerk, and the Inkatha Freedom

**NEWS:** WORLD TRADE

ened to walk out of the government. Mr Mandela said it was a marvel that they had all worked together so well. But be warned Mr Buthelezi that be would not submit to blackmail over the

lezi, both of whom have this year threat-

IFP's demands for international mediation

to resolve differences over the degree of autonomy to be given to KwaZulu Natal. The president said ba bad received a very positive international response to South Africa's achievements, but warned that foreign investors would remain cautious until more of the country's problems had been resolved. He believed that successive finance ministers had followed sound economic policies that had helped to boost investor confidence.

He admitted mistakes had been made, and the government had more often than not erred on the side of caution: "But whatever mistakes we may have made cannot subtract from the sea change in the South African body politic. A new South party headed by Chief Mangosuthu Buthe-African civilisation is in the making."

# Sweet timing for entry into Mexico Opening of gas

Tate & Lyle and Premdor investments buck trend, report Leslie Crawford and Bernard Simon

ate & Lyle, the world's biggest sugar company, and Premdor, a Canadian door maker, are bucking the trend by investing in Mexico at a time when most foreign investors are giving the country a wide berth.

Tate & Lyle last week announced it was acquiring a 49 per cent stake in Grupo Azucarero Sáenz, Mexico's second largest sugar producer, for \$38m. Mr Neil Shaw, Tate & Lyle's president, was in Mexico for the announcement and said additional investments were planned to expand Saenz's production from 250,000 tonnes to 350,000 tonnes by

"We hope our investment will attract other intarnational companies to Mexico," Mr Shaw said after meeting President Ernesto Zedillo.

Premdor, a Canadian company which is one of the world's biggest door makers, has also decided to turn Mexico'a economic woes into an opportunity.

The Toronto company is setting up a

joint venture with Grupo IMSA, a Mexican steel and aluminium products group. Each partner bas agreed to invest US\$5m to expand an existing exterior steel door plant in Monterrey, Mexico's industrial capital, and to build a new wooden door factory on the same site. The latter will turn out about 3,000 doors a day, mainly for the residential market.

Mr Harley Ulster, a Pramdor vice-president, said: "Right now is probably a good time to invest in Mexico. While the market has been devastated... we think there will be a tremendous demand for housing over



Neil Shaw of Tate & Lyle: other companies may be attracted to Mexico Astroy Astroyod

time." The company hopes to use the Mexican plants as a springboard for exports to Chile, Brazil and Argentina. IMSA already has operations in several South American countries.

Several of Premdor's US distributors, Mr Ulster added, had also indicated an interest in expanding their Maxican operations. Thanks to the devaluation of the Mexican peso in December, foreign investments are much cheaper

than they were last year.

The Mexican government is trumpeting every foreign investment deal as a sign of returning confidence in the economy after the capital flight which accompanied the peso's devaluation. The government is keen to promote

stability to Mexico's external accounts and reduce its dependence on speculative, short-term capital which compounded Mexico's financial crisis in

The Mexican Investment Board (MIB), however, said it was difficult to predict what investment Mexico would receive this year. Direct foreign investment totalled \$8bn in 1994, but more than half came from the re-invested profits of multinationals that have seen the value of their Mexican assets plummet since

Another \$1.8bn of direct foreign investment was recorded in January, according to Finance Ministry figures, hut the MIB does not believe the figure long-term investments to bring more can be repeated over the coming public.

correspond to business plans made before the devaluation.

Mexico's deepening recession has already led several foreign companies to shelve expansion plans. Wal-Mart is one of several US retail chains which placed their bets on the growing purchasing power of 90m Mexicans with the North American Free Trade Agreement. Mexico's economic debacle, bowever, has led Wal-Mart to cancel opening 22 stores planned for this year in partnership with Grupo Cifra, Mexico's leading retail chain. "Only two stores will be opened this year, because we have already built them," said Mr Hec-

tor Vazquez, a Wal-Mart spokesman. Carrefour, the French retailer, on the other band, has announced a 500m pesos (\$83m) joint venture with Grupo Gigante, one of Cifra's strongest competitors, to build five new mega-stores in four cities this year. Despite the recession, Carrefour believes the demand for basic consumer items will

remain strong. The stores which will be hardest hit are those specialising in imported goods, which flourished before the devaluation and became a symbol of

Mexico's ephemeral affluence. Mexico's success in wooing back foreign investors will largely hinge on bow quickly it can ready plans for the privatisation of the petrochemical industry and its railways. The telecommunica tions sector is also scheduled to be opened to competition in 1996, although the ground rules have yet to be made

# markets welcomed

By Leslie Crawford in Mexico City

International gas companies yesterday welcomed Mexico's decision to open the transport, distribution and storage of natural gas to the private sector, even though the exploration and production of natural gas will remain in the bands of the atate oil monopoly Petróleos Mexicanos (Pemex).

The move is expected to speed development plans for a number of gas-fired power stations, delayed because Pemex bas lacked the resources to put supply pipelines in place. Private-sector participation in the distribution of natural gas is also expected to help the planned privatisation of Mexico's secondary petrochemical industry, the country's biggest consumer of natural

Trans-Canada Pipelines. based in Calgary, said it planned to hid for the Merida III power generation project in association with Corporacion Guisa, a Mexican construction company, now that the legal obstacles to private-sector participation in the gas industry were being removed. "We are very interested in this new development," Mr David Annesley of Trans-Canada

Pipelines said.
Mr Ignacio Picbardo, Mexico's energy minister, has sent a bill to Congress which changes the constitution to allow both domestic and foreign private investment in the gas industry, which to date has been a state monopoly. Mr Pichardo said be hoped the move would attract about \$5bn of private investment over the next three or four years. The new law will grant 10- to 20-year concessions for the construction and operation of gas pipelines. It will also allow private companies to import and export gas. Mexico currently imports about 360m cubic feet a day of natural gas, or about 10 per cent of its total production. In the coming

years, bowever, Mr Pichardo said Pemex planned to increase production by at least 500m cnhic feet a day to enable Mexico to become a net

WORLD TRADE NEWS DIGEST

# Berne Union business up

New foreign investments insured by members of the Berne Union of export credit and investment insurers totalled \$9bn last year, 55 per cent up on the 1993 level, while the value of their investment insurance portfolios rose 28 per cent to \$33bn

New export credit insurance and guarantee business increased 9.1 per cent to \$375.5bn, plus \$5bn of direct loans. Export credit claims paid grew 5.7 per cent to \$14.3bn, while recoveries rose by about 25 per cent to \$6bn. Premium income was up 11.4 per cent, and members' exposure under export credit insurance, guarantee and direct lending programmes totalled \$504bn at the end of the year, 4.6 per cent higher than a year previously.

The Berne Union consists of 43 members from 34 countries and the Multilateral Investment Guarantee Ageocy of the World Bank. Last year, they supported 12.8 per cent of their countries' exports, which account for 80 per cent of world exports. Guy de Jonquières, Business Editor

# Protests at Taiwan N-plans

About 100 anti-nuclear activists yesterday demonstrated outside the Taiwan Power Company, which was considering bids from two US companies to build Taiwan's fourth nuclear power plant. The state-run company was debating whether to buy reactors and other equipment from Westinghouse Electric or Asea Brown Boveri Combustion Engineering.

The protesters threw eggs at the power company building and carried banners calling for the scrapping of the nuclear power project. It will cost T\$169.7bn (US\$6.8bn) to build the new power plant at Kungliao, 40km north of Taipei.

Taiwan Power is considering tenders for reactors. emergency diesel generators and other equipment for the plant, to be completed in 2001. Officials declined to disclose the value of the contracts, but unofficial estimates put them at \$2bn to \$3bn. The government said the plant was needed to ease the island's power shortage. Taipei, AP

## Contracts and ventures

■ Hitachi, the Japanese electronics manufacturer, and AEG Electrocom, a subsidiary of the German company AEG Daimler Benz Industrie, will set up a joint venture company to co-operate in developing and making postal automation systems. The new joint venture, AEG Hitachi Postal Automation, will be established in Japan in June to develop an advanced postal automation system for the Japanese market. The new system will incorporate a "stealth barcode" which enables mail to be sorted according to the different delivery routes of postmen. AEG Electrocom will be responsible for research and development while Hitachi will take charge of manufacturing, services and sales. The collaborative arrangement is expected to be extended to other markets in Asia. Michiyo Nakamoto, Tokyo

■ Alitalia, the Italian state airline, is to acquire 15 Fokker Jetline regional jets with 70-100 seats, on an operating lease basis, in preference to a competing offer from British Aerospace of the UK. No value was put on the deal, which will allow the Italian carrier to develop its links with Europe's regional network of secondary airports, but press reports in Italy suggested the contract was worth between L500bn (\$292m) and L800bn. Andrew Hill, Milan

 Dailywin Group, the Hong Kong-based designer, maker and assembler of watches and watch components, has signed an agreement with Walt Disney for the beensing of Disney characters on watches to be made and distributed in China.

# Kobe Steel Korea venture Suzuki to make

By Michiyo Nakamoto in Tokyo

Japan's Kobe Steel and Je Il Steel of Korea have formed a joint venture to produce weld-ing material for tha Korean shipbuilding industry.

The two companies are investing Won6.4bn (\$8.37m) to establish the venture, Kobe Welding of Korea, which will begin production this year. Kobe Steel's entry into the Korean market reflects the growing pressure from the year's appreciation on the Japa-

nese steel industry.

Kobe Steel, which bas already been supplying Korea with welding material, said the yen's rise had made it difficult to continue exporting to South Korea.

The joint venture would enable Kobe to continue sup-plying the Korean shipbuilding

industry with welding material. at competitiva prices, Kobe and. The Japanese company expects exports from Japan to be replaced by products made in Korea.

Demand for welding material in South Korea is expected to grow as the country's ship-building industry expands. The initial 300 tonnes a month to be produced at the new facility is expected to doubla within a few years. Kobe said the joint venture product would be aimed specifically at the Korean market and not exported to Japan. The Kobe investment also reflects the attraction to Japanese steelmakers of boosting their operations in Asian markets with strong regional

The Japanese steel industry has been facing flerce competition from Korean steelmakers, which have been building up production capacity and making inroads in the Japanese market on the strength of their lower costs.

Posco, the leading Korean steelmaker, is expected to overtake Nippon Steel as the world'a largest. The company has also moved aggressivaly into the Japanese market with the acquisition of a processing facility in Kyushu, where Japanese car companies have set up

Korean steelmakera have also been successful at winning orders from leading Japanese steel users in the car, electronics and shiphuilding industries.

The company is South Korea's

top producer of nails.

Correspondent writes.
Suzuki, the main partner in a \$20.9m venture with Japa-

For Je Il Steel, the joint venture is an opportunity to diversify into new product areas.

# trucks in Vietnam Suzuki Motor, the Japanese official body which approves

vehicle maker, has won a licence from the Vietnamese govarnment to make light trucks, becoming the seventh foreign company to be allowed into the country's growing motor industry, Our Hanoi

nese trading company Nissbo Iwai and Vletnam's state-owned Vikyno, would initially make 500 vehicles a year at a plant in Dongnai province, just north of Ho Chi Minh City. This would rise to 3,500 vehicles a year, according to the Vietnam investment review, published by the State Committee for Co-operation and Investment (SECC), the

most foreign investment.
Ten per cent of Suzuki's production would be for export, the paper said. The 30-year venture has committed itself to making 38.2 per cent of vehicle parts locally after 10 years. Vietnam, keen to deter inves-tors interested only in vehicle assembly, insists that 30 per cent of vehicle parts be made

there within six to 10 years of starting manufacture. Germany's Daimler Benz and Japan's Daihatsu last week were awarded licences for vehicle production in Vietnam, joining four existing manufacturers

Ford and Chrysler of the US are understood to have submitted applications to the SECC. exporter of natural gas.

# Major reinstates rebel MPs to Tory party

Mr John Major, the prime minister, last night attempted to restore unity to his government by reinstating eight MPs to the parliamentary Conservative party who had been expelled at the end of last year. He also urged a ninth MP, Sir Richard Body, who had

resigned from the party, to return to the fold. Mr Major's

gesture will restore the govern-

ment's majority in the House of Commons if the rebel MPs do not decide to remain outside the party.

The rebels were expelled because they voted against the the government last November on the UK's contribution to the European Union budget, despite being warned that if the vote was lost it would prompt a general election.

After a late afternoon meeting, the rebels were last night considering whether to bow to

pressure from backbench Tory els and the government. Over MPs and end the civil war Easter, eight rightwing memwithin the parliamentary

One MP said: "It's a difficult decision for them. They have been media stars since being kicked out. If they come back, they will sink back into obscu-

Mr Major's unexpected gesture came in response to mounting pressure from Conservative MPs to end the public bickering between the rebbers of the party urged him to grim experience," said one heal the rift.

A former minister, Mr Michael Spicer, is understood to hava acted as go-between over the past 24 hours in the attempt to make peace.

Backbenchers, who spent the weekend campaigning for next week's local elections, said yesterday that they were concerned that the potential Tory vote was falling away because

of the widespread perception that the party was disunited "Knocking on doors is a pretty

Tory backbencher. Mr Major, who spent the day discussing long-term policy with Mr Jeremy Hanley, the party chairman, and Mr David Hunt chancellor of the Duchy of Lancaster, made his decision yesterday after consulting Mr Richard Ryder, the chief whip. However, the whips - or parliamentary party managers - state the rebel MPs.

The rebels remain united in their hostility to the EU. Since being expelled, they have tended to abstain or vote against the government on EU

The only explanation being offered by senior Conservatives last night for Mr Major's decision to let them back in is that "it had to happen some time". in the words of one senior member of the government. .:

which Dublin felt relegated

The intervention of Mr John Hume, the leader of the main-ly-Catholic SDLP largely cred-

ited with persuading Simn Fein to join the peace process, was

He angrily accused Sir Pat-

But all along, there has been

little expectation that republi-

cans would hand over their

weapons. Irish officials will

point out there is no historical

In the civil war of the 1920s,

there was a tradition that republicans hid their guns or

There was clearly never

much chance that the IRA

could hand over to the Royal Ulster Constabulary or the

British Army. No one is pre-

tending that the breakthrough

There is still a considerabla way to go before the British will be able to summon tha

Unionists around the same

Yet each development makes

it all the harder for any of the

sides to return to the status

quo, and now another hurdle

has been cleared and another

taboo has been broken, new

life has been breathed into a

table as Sinn Fein.

is much more than symbolic.

their "pikes in the thatch".

rick of endangering the peace process by focusing on minute

also important.

# EU diplomat heads for Washington

A tricky period in British diplomacy is in prospect with the confirmation yesterday that Sir John Kerr, a master negotiator who helped to fine tune the Maastricht treaty, is to represent the UK in Washington, while his replacement as UK envoy to the European Union will be Mr Stephen Wall, a reputed Eurosceptic.

Sir John, 53, has been in Brussels since 1990 after a threeyear stint in London as undersecretary of state for European affairs. As one of the government's key advisers on European affairs, he gained the reputation as one of the co-authors of the Maastricht accord, including the hard-won clauses which enabled Britain to opt out of common social policies.

Mr Wall, 48, currently ambassador in Lisbon, was also heavily involved in the pre-Maastricht deliberations in his capacity as foreign policy adviser to the prime minister. While he has often been described as cool towards the European project, and is suspected of ghost writing an essay on the subject in the Economist, Foreign (\*\*) colleagues describe him as a "realist" whose Downing Street experience has

endowed him with "good political judgment".

He will be plunged into the task of speaking for Britain during the run-up to next year's inter-governmental conference on the future of the European Union. This will mean resisting pressure from many EU partners for a widening of the use of majority voting in sensitive areas of European Bruce Clark policy, including foreign affairs.

Superhighways in schools

The government yesterday raised the prospect of large-scale public/private partnerships to bring "superhighways" to the classroom, with an invitation to companies in the information technology sector to collaborate with schools on pilot projects. Mrs Gillian Shephard, the education secretary, published a consultation paper inviting companies to set out ideas for applications using new fibre-optic networks as aids to teaching, teacher training and school administration.

Only a small number of pilot projects are so far under way. The cost of providing infrastructure, and the expense of telecommunications services, have been significant handicaps to schools: whose budgets are tightly constrained. Andrew Adonis, Public Policy Editor

Regrouping to fight cancer

A reorganisation of health services dealing with cancer, leading to a concentration of resources on larger hospitals, was announced by Mrs Virginia Bottomiey, health secretary, yes

Under the new plan, "cancer units" able to deal with more common forms of cancer will be located in district hospitals, and "cancer centres" with larger resources and able to deal with rare forms of the disease will be located in hospitals with a catchment area of at least 1m patients.

Professor Earol Sikora, director of clinical oncology at Hammersmith Hospital, London, said the new structure should end the "cancer lottery", under which patients are seen by professionals offering different standards of care.

Around 150,000 people die from cancer each year in the UK, and the aim is to cut this rate by up to 10 per cent.

### Children of their time.

Children's bedrooms have replaced the street as the popular place to play as fear of crime drives children indoors and parents are prepared to buy them their own TVs, video games and music systems, according to a study of 7-12 year-olds published today, writes Diane Summers.

Modern children are portrayed as conformist, fearful and home-centred. They also appear to have little time for reading books and are unenthusiastic about healthy eating, says the report's compilers, Handel Communications, the public rela-

tions company, and Carrick James Market Research.

The dark still figures prominently among children's fears, but war, bombs, guns and bullying seem to have replaced going to the deutist, horror films and ghost stories on the list of things that are most feared.

Top concerns for modern children are crime, bullying, child abduction, unemployment and homelessness, compared with main concerns 20 years ago of cruelty to children, cruelty to animals, nuclear war, old people living alone and drugs.

The New Generation: a report on attitudes and behaviour of

primary school children. Handel Communications, 7 Hillgate Place, London SW12 9ER. 199.

# Technology show picks London

The organisation which runs the world's largest information technology trade show has chosen London as the venue for its first venture into Europe. Comdex/UK will be held at the Earls Court Convention Centre in April next year. Comdex, now owned by the Japanese software group Softbank, is held twice yearly in Las Vegas in the US. It is the industry's major showcase, used by computer makers, software developers and semiconductor manufacturers.

Mr Robert Lively, responsible for international development for Softbank Comdex, said the UK market for IT was about \$20bn annually, he saw the London show as a strategic entry point for mainland Europe. Alan Cane

## Pension concession

Pension schemes will in future be required to take full responsibility for giving a divorced wife her entitlement to a former husband's pension, after the government announced a sub-stantial new concession on the issue yesterday.

The concession, announced at the start of the House of Commons debate on the pensions bill, was the latest attempt pensions and divorce.

The move came as the government announced that it would not try to reverse its recent defeat in the House of Lords, the unelected chamber of parliament. This gave courts new pow-

The move, announced by Mr Peter Lilley, social security secretary, will mean that pension schemes will have to keep

track of a wife's entitlement to maintenance over many years, even though a pension scheme may be lodged in her former

£257m

# Sinn Féin finally becomes a player in the political process ending weeks of deadlock

# Wool acts charges

By Jenny Luesby

The Yorkshire wool industry intends to take legal action against water charges imposed by Yorkshire Water, the privatised ntility, which it claims are jeopardising its future.

A group of 31 companies, including textiles groups Allied Textiles, Leeds, Illing-worth Morris, and Parkland, bave already said they will withhold part of their water payments until Yorkshire water justifies the latest in a

"We calculate that our water charges have gone up by 41 per cent above the retail price index in the tast four years," says Mr Alan Lewis, chairman

of Illingworth Morris. In addition, a new charge trade effinent charges by between 100 per cent and 300 per cent", says Mr Robert Clarke, director-general of the Confederation of British Wool Textiles, the employer's organ-

The new charge is for industrial effluent entering the sewerage system, and is in addition to the volume-based payments by companies for their water supply, and the

treatment of their efflnent. Yorkshire Water is the only water company that does not already charge for the reception of industrial effluent. A policy, which it says has seen industrial users account for 12 per cent of the volume of effinent, but pay for just 1 per cent

over water Breakthrough for N Ireland dialogue

By John Murray Brown in Dublin, and John Kampfner in

Pew politicians connected with Northern Ireland doubted that the face-to-face meeting between Mr Martin McGuinness and Mr Michael Ancram would take place.

The only questions were when, and on whose terms? As soon as it became apparent that the IRA ceasefire was set to last, it became obvious that Sinn Féin, despite its small electoral mandate, would have to become a player in the

political process. The British government has een walking a tightrope. It has tried not to antagonise Unionist feelings more than is essential, while not being seen to be rushed into concessions to a political party associated with more than two decades of

terrorism. After months of behind-thescenes manoeuvring, the joint framework document produced in Dublin and London was designed to bring Sinn Féin

Unionists decried it as a 'green manifesto", but knew there was no going back. With the document out of the way, and cabinet approval

given to developing political contact with Sinn Fein - the political wing of the provisional Irish Republican Army - and the political parties representing loyalist paramili-taries, the government shifted

It was time to play it tougher with the republicans. President



Sir Patrick Mayhew (right) leaves Downing Street with Michael Ancram

Clinton's decision to ignore the advice of his more senior officials and invite Mr Gerry Adams, Sinn Féin president, to a White House reception, played in many ways into London's hand.

Mr John Major made his annoyance apparent but, during his recent visit to Washington, extracted from Mr Clinton recognition that the British

line should be supported. Until that point, all sides had been counting the days before the "exploratory dialogue" between Mr McGuinness, Sinn Féin's chief negotiator, and government officials would be upgraded to include Mr Michael Ancram, the number two minister at the Northern Ireland office.

Before a minister could

become involved, the govern-ment demanded that decommissioning of terrorist weapons be discussed as a separate

Sinn Féin had wanted to veto the role of British troops in the

The loyalists were said to have given such an assurance - Sinn Féin have not. On no occasion has the text of any of the complex letters which passed between the parties on

the issue been disclosed. Again and again, the government said Sinn Féin had not done enough. It was not, officials said, a matter of semantics but of principle.

There is some evidence it was the intervention of Mr John Bruton, the Irish prime minister, which provided the

latest breakthrough. Dublin's concern was aroused after Sir Patrick Mayhew. Northern Ireland secretary announced the week before Easter he was inviting the main constitutional parties

Mr Bruton, who has been in constant telephone contact with Mr Major over the past few days, is understood to have Insisted that any move to exclude Sinn Fein would be disastrous for the peace process at a time when Mr Adams

Apparently on Irish insistence, Sir Patrick changed a speech he was to deliver to the

to bilateral discussions, regardless of Sinn Féin.

is under pressure from hard-

CBI 10 days ago, dropping the reference to parties "with sig-

Just like a surgeon at an operation, ministers will endeavour to ensure that the breathing is methodical and that surprises are kept to a

# Pay increases 'average 6.9%' for directors

By Richard Donkin. Labour Staff

Directors and managers of companies had far bigger pay increases than other employees in the UK last year, according to a survey published yesterday by the Institute of Manage-

The survey shows that directors had rises of 6.9 per cent on average, slightly up from their increase in the previous year. Managers' earnings rose 4.8 per cent in the same year.

The findings, which show increases in executive earnings well above average earnings increases of 3.7 per cent, will do little to reduce the public outery against high pay awards to company chiefs.

Taking account of inflation, however, managers' gross earnings rose 1.5 per cent while directors were 3.6 per cent better off. Managers' purchasing power was diluted. however, because of tax increases last year. The report says increases of 6.8 per cent

would have maintained parity. Women managers received bigher rises than their male colleagues, with 5.1 per cent on average, but women directors had smaller increases than men - 45 per cent.

The number of women managers is also on the increase again, after a fall in the previous year. Some 10.7 per cent of managers are women while the proportion of women directors has risen to 3 per cent.

The number of managers and directors receiving bonuses also rose. More than 60 per cent of directors received bonuses averaging almost £11,000 (\$17,800); 44 per cent of managers had bonuses averaging nearly £3,200. The institute says more than

50 per cent of UK managers now earn more than £30,000 : year and almost 76 per cent of directors earn more than £50,000 a year. The earnings of nearly one in five directors exceed £100,000. The report identifies the

average UK manager as a 43year-old male earning £33,069 a year and driving a company car. The average director is a 48-year-old man earning £78,692 a year. Both have been with their company for 15 years. Women managers, earn

£28,642 on average, about £5,000 less than their male counterparts, and woman directors earn £56.446 on average. Women executives are eight years younger than their male counterparts, however, and tend to have been with their companies a shorter time. Institute of Monagement National Management Salary Survey, Remuneration Econom-

by ministers to bead off a growing row over the issue of

ers to force a divorced husband to pass on part of his pension to a former wife on retirement.

ics. Survey House, 51 Portland Road, Kingston upon Thames, husband's name. James Blitz Surrey. KT1 2SH, UK. £380.

#### depots and offices throughout Great Britain. It is also involved in tha purchase and supply of natural gas to soma 1,000 customers at 2,400 separate locations. In the year to 25 March 1995, BFL Oil's pro forma estimated sales were approximately 1,033 million litres of oil and approximately 40 million therms of gas.

purchase British Fuels Limited ("BFL

Coal"), British Fuels (Oils) Limitad

("BFL Oil") and Cawoods of Northern

Ireland Limited ("Cawoods"). These

companias are the three trading

subsidiaries of British Fuel Distributors

BFL Coal's principal activities are the

purchase of solid fuel and its

distribution to the retail and wholesala

depots, offices and shops throughout

Great Britain. BFL Coal is also involved

in the distribution of pre-packed coal.

charcoal and other products, as well as

to 25 March 1995, BFL Coal's pro

forma estimated turnover was

petroleum products and their

distribution to a variaty of customars.

BFL Oil employs some 320 staff at

approximately £257 million.

shipping and stevedoring. In the year

Cawoods' principal activities are tha purchase of solid fuel and oil products. their distribution to a variety of customers and, through a subsidiary -Heat, Energy and Associated Technology Limited ("HEAT"), tha maintanance of domestic heating appliances. Cawoods employs some



Coal") is seeking separate offers to principally in Northern Ireland. In obligations or commitment to sell to any addition, as at 31 March 1995 HEAT amployed 143 staff. In the year to 25 March 1995, Cawoods' pro forma whatsoever by British Coaf. British estimated consolidated turnover was approximately £73 million.

**BRITISH COAL CORPORATION** 

Invitation to offer to purchase

**British Fuels Limited,** 

**British Fuels (Oils) Limited and/or** 

**Cawoods of Northern Ireland Limited** 

BFL Oil and/or Cawoods are being providing any compensation for fees or invited to pre-qualify for the sala process. Applicants should apply in writing to Samuel Montagu at tha markets. It amploys some 1,300 staff at address set out below for a copy of the British Fuels Group preliminary process are subject to English law. information memorandum which includes a description of the sala process and instructions for applicants seeking to pre-qualify. Applications to pre-qualify for the sale process should be submitted by Tuesday, 23 May 1995.

British Coal will consider applications BFL Oil undertakes the purchase of to pre-qualify on the basis of the information provided, and any other factors considered appropriata, and reserves the right not to pre-qualify any potential purchaser. Applications to pre-quality should only be made by companies or consortia, joint ventures or other similar entities. Where the to herein. applicant is a consortium, joint venture or similar entity, each member must be a corporate body.

Applicants who pre-quality, who have security deposit letter and validly signed a confidentiality undertaking will thereafter be provided with an information memorandum issued by Samuel Montagu in respect of each company for which they have prequalified. The information memoranda will include information on the relevant company and on the process of sale and timetable

Neither this invitation nor the receipt

of any offers by British Coal will create,

British Coal Corporation ("British 290 staff at depots, offices and shops with respect to British Coal, any bidder and, with respect to any bidder. any rights to demand any performance Coal reserves the right to withdraw from negotiations with interested Prospective purchasers of BFL Coal, parties without assigning any reason or expenses incurred. Brokers or agents of any kind must disclose the identity of the company they represent.

This advertisement and the sale

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Address for receipt of applications Applications should be addressed to Samuel Montagu & Co. Limited, who will receive tham on behalf of British provided the requisite deposit and Coal, and marked for the attention of Peter Jones, Director,

> Corporate Finance Division. 10 Lower Tharnes Street. London EC3R 6AE. Telephone: 0171 260 9315 Facsimile: 0171 623 5512/ 0171 621 1831



# British Coal to sell fuels subsidiary

British Coal, the former operator of the coal industry, is today advertising the sale of its largest non-mining trading subsidiary, the last to be put on the market.

The disposal next antumn of British Fuels Group, a coal, oil and gas distributor, heralds the diminution of British Coal to a small residual company of an organisation that once employed im miners and other

British Coal will employ fewer than 100 people by next year. Mr Ray Proctor, tha finance director who has been Anglo United, another coal in charge of disposal of non- company, may also bid.

corporation in June and Mr Neil Clarke, the chairman, Is scheduled to go in December. Hobart House, British Coal's headquarters by Buckingham Palace, is to be vacated in June next year. Grosvenor Estate Holdings aims to demolish or

mining assets, is leaving the

says is "generally regarded as Potential buyers of British Fuels Group include British Coal's successor mining companies including RJB Mining, Mining Scotland and Coal Investments as well as two management buy-out teams.

redevelop the building which it

and Welsh coalfields which were sold last December. The Harrogate-based company's three subsidiaries, BFL Coal, BFL Oil and Cawoods of Northern Ireland, employ 2,000 staff at more than 150 depots,

With annual sales of about

£500m, British Fuels Group has

a bigger turnover than the

offices and shops. Prospective purchasers can hid for one or more of the subsidiaries. BFL Coal, which recently won the government franchise to distribute 460,000 tonnes a year of concessionary coal to former British Coal employees over three years, is the largest

subsidiary. It has 1,300 staff

combined total of the Scottisb BFL Oil, which employs 320 staff, buys and distributes petroleum products and buys

and sells natural gas to about 1,000 customers at 2,400 locations. Cawoods, which has about 400 employees, buys and sells solid fuel and oil and last year had turnover of British Coal hopes to com-

and in the year to March

1995 made pro-forma sales of

plete the sale of British Fuels Group by the autumn, together with those of Centris, its concessionary fuel administration aubsidlary, and Cinman, its investment manager for pension schemes.

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# Deal makers seek calmer waters

There are signs that the course of corporate consolidations may have to change as the outlook for profits improves, says Daniel Green

he past 12 months have been an extraordinary period in the history of the world's pharmacenticals industry. More than \$60bn worth of corporate deals have been struck. Some companies have transformed themselves from diversified conglomerates into specialist healthcare suppliers. Others have simply grown larger, swallowing up less fortunate rivals.

plomat for

But there are signs that the frenetic pace of corporate activity may be slowing. The number of takeover candidates is diminishing as consolidation progresses. The number of affordable mid-sized companies showing significant profits growth has shrunk, and the outlook for profits growth is improving once again as the threats of wbolesale healthcare reform receda.

The trigger for the deal making was the fear that the profits growth to which the industry had become accustomed in the 1980s ending.

There were two reasons for this fear, one internal to the drugs industry and one relating to the environment in which it operates.

The internal reason was that many of the drugs that had produced rapid growth were reaching the end of their 20year patent protection period.

These products had emerged from many of the biochemical discoveries of the 1960s. The subsequent wave of scientific advances, in biology in the 1970s, had not yet led to a flood of new biotech products.

Companies affected included Glaxo, SmithKline Beecham and Wellcome of the UK, Bristol Myers Squibb, Marion Merrell Dow and Syntex of the US.

The external reason was that healthcare reform, or the threat of reform, was aimed at drugs companies and promised

to cut their profit margins. When President Bill Clinton took office at the start of 1993 one of his highest priorities was a reconstruction of the US healthcare system.

US healthcare spending had been growing faster than inflation for many years and was approaching \$1,000bn a year. equivalent to 14 per cent of the US gross domestic product.

Although the cost of drugs represents less than 15 per cent of the total bill, drugs companies presented a clear target for government-inspired cost-

control measures. With the twin threats of patent expiries and government clampdowns on profits. the drugs industry moved quickly. Within months of the arrival of Mr Clinton in office, the drugs industry was shaken hy a \$6.6bn acquisition by Merck, then the world's biggest drugs company, of a drugs dis-

This triggered two copycat deals last year: SmithKline Beecham hought Diversified Pharmaceuticals Systems for \$2.3bn and Eli Lilly hought PCS for \$4bn.

Some companies were equally happy to spend billions of dollars but were less adventurous in their acquisition targets. Roche of Switzerland, American Home Products of the US and Glaxo of the UK paid almost \$30bn between them smaller companies.

Others concentrated their efforts on hoosting the research and development sides of their businesses. Switzerland's Cîba took a control-Switzerland's Ciba and others. . ling position in one of the biggest biotechnology companies, Chiron of California. Glaxo paid more than \$500m for Affymax, a mid-sized biotechnology company that has developed a new way of searching for

promising drug candidates. Then there were companies that grew at the other end of the scale, increasing their presence in the marketing of old drugs that bave lost patent protection. The hig German drugs companies, Hoechst, Bayer and BASF, were pre-eminent, each huying stakes in generic manufacturers.

And there were mavericks such as the UK's Zeneca. which bought into Salick Healthcare, a specialist operator of cancer clinics in the US. Observers of the industry might be forgiven for being confused by this tangle of cor-

porate strategies and tie-up. But Steven Plag, of stock hroker NatWest Markets, argues that whatever the shape and public rationale of the deal, the basic strategy is simple: to cut costs.

He points out that the sector is fragmented. Until Glaxo bought Wellcome, no one company had more than 4 per cent of the world market. The combined company still has less than 6 per cent.

As far as investors are concerned, cost-cutting can have a radical effect on a company's worth. Before Glaxo's £9.1bn bid for Wellcome in January, both companies were facing a slowdown or a reversal of earnings per share growth in 1997-98 as the patents on their top selling drugs expired. The bid changed everything.

Peter Laing, pharmaceuticals analyst with Salomon Brothers, the stockhroker, says: "We [now] expect com-



pound annual growth of 7 per cent in earnings per share over the 1995-2000 time-frame. This is a much hrighter outlook drugs industry arguing that than we had previously thought possible."

Glaxo plans to have completed the integration of Wellcome within three years. The company regards this as moving quickly, hut some of the recent deals make Glaxo's pace seem pedestrian.

Roche appears to have cut costs far more quickly in the wake of its acquisition of Syntex in the summer of 1994, closSterling Health around the same time.

Yet there are voices in the huge acquisitions may not he the best way forward. William Steere, chairman

and chief executive of the third biggest US drugs company company Pfizer, argues that it is possible to cut costs and improve R&D without using an acquisition as an excuse to lay

"We've downsized across the company by, for example, combining financial services through Europe, through Asia and in the US," be says. "And we can rapidly introduce new

technology alliances,"

Alex Krauer, chief executive

of Switzerland's Ciba, one of the world's top 10 drugs companies, has also cut costs without resorting to an acquisition. "We have had 10 per cent cuts in costs over the last two to three years and we will continue to cut costs.

Sceptics of the hid-based strategy can point to problems that acquisitions bring. Cash rich companies can become heavily indebted, limiting their room for manoeuvre if circumstances change. The benefits of buying distributors, in particular, have been diluted by the US Federal Trade Commission,

which has insisted on walls of confidentiality between the drug-making and distribution sides of the businesses.

In any case, US health reforms appear to have stalled indefinitely as the Clinton administration turns its attention to the next presidential election next year. And while price cuts have been enacted in Germany, Italy and Japan and more are possible - they no longer represent an unknown quantity.

No one is suggesting that the age of drugs industry consolidations is over. But there may be another way of doing it than the big bid.

# IN THIS SURVEY A look

# ahead to 2000

☐ The Industry is heading for a split into two camps the research-driven drugs companies and the diversifled suppliers of healthcare ☐ BIOTECHNOLOGY: the importance of genetic engi-

☐ GENERICS: the industry, which is growing tast, may be one way of assisting the cost-cutting exercise ☐ PHARMACOECONOMICS: a

new discipline and the ditemma

☐ GOVERNMENT POLICY: FT writers describe how health policy relates to the pharmaceuticals industry ☐ LOBBYING: a spirit of com-

☐ Profile: US Food and Drug

D Profila: European Medicines Evaluation Agency ☐ OTC MEDICINES: Into the

believe friendly mergers are

now more sensible. The best companies are prohibitively expensive to buy," says Mr Krauer. "We have a 2-2.5 per cent market share |of world drugs sales] now. If we bought what we could afford, we might get to 3 per cent. A merger is the way to get to 5 per ceot.

Mr Steere agrees. "If we were to buy Upjohn [a mid-sized US companyl, it wouldn't make much difference. But a big merger could really change our market position."

The torrent of deals in the past 12 months may not yet be temmed. But it may begin to take a different course.



# Drug Budgets: The Hidden Costs of Control.

Mr Krauer and Mr Steere



According to the ancient Chinese philosophy of yin and yang, the universe is composed of opposing but interdependent forces. Interestingly, this philosophy resembles the concept of homeostasis, the natural balance that occurs within living arganisms, including the harmony between antagonists and agonists that regulate vital functions. Thus, an important factor in the search for new medicines is the development of compounds that work together with the body's own restorative and regenerative abilities. 

Ta lead healthy lives, we must seek balance with nature, with society, and within aurselves. Through pharmaceutical research, we are striving to help people attain this balance.

# Takeda Chemical Industries, Ltd.

Head Office: 1-1, Doshomachi 4-chome, Chuo-ku, Osaka 541, Jopan Tokyo Head Office: 12-10, Nihanbashi 2-chame, Chuo-ku, Tokyo 103, Japan

Fiscal and demographic realities are forcing European governments to replace the commitment to equity in the delivery of health services with a new strategy geared toward increasing efficiency and lowering costs. Central to this accorded are policies to slash public spending on drug reimbursement. In a new study, a leading health policy analyst maintains that cost-containment mechanisms now fashionable not only fail to accomplish their intended objective, but could also harm the interests of patients and jeopardize prospects for

innovative therapies. Previous povernment-directed efforts to control drug costs through pricing constraints alone are now widely acknowledged as a failure. A European Commission official! recently noted that "most member states no looger believe that regulating prices is the long-term answer. They have seen the damage that it can create to their own industry and even to the social security system, because it fails to

solve the problem." The new policy focus is to repress reimbursement demand for medicines by limiting doctors' freedom to prescribe. European governments are using three principal tools to cootrol costs: (1) reference pricing, by which national health authorities set a fixed amount that they will agree to reimburse for the purchase of a covered cluster of products, with patients and insurers paying for any excess; (2) restrictive formularies, or negative/positive lists, designed to exclude individual products or even entire therapeutic categories; and (3) global budgets, which allow governments to impose a ceiling on costs of reimbursing hospitals and patients on a fee-forservice basis.

Germany adopted the global budgets approach io 1992, but a University of Hannover study2 suggests that the savings have been illusory. Physicians have responded by referring patients to specialists more frequently. lo the first year, refer-1 Fermal Saute interclar in Pharmaceutical Exercise 1793-2.1 Studenburg, et al., Owner-the of Hannace, Justicite of Insurance Studenburg, et al., Owner-the of Hannace, Justicite of Insurance Studenburg, et al.,

rals were up 11% in the following seven months, referrals increased 9%, causing health care costs to rise DM 1,329 billion. and a further cost of DM 1.5 billion in time/productivity losses, more than offsetting the government's projected DM 2 billion savings oo prescriptions.

National formularies or oegative lists have been adopted by virtually all European countries. Many now augment these with reference pricing rules to ensure the price of a listed product is the lowest for its therareutic class. This approach also has its

flaws. A 1993 US study by Moore and Newman3 of restrictive formularies used by states to cootrol their Medicaid costs, found

the 13% average savings on drugs was completely offset by increased expenditures elsewhere in the system. A new study focusing on mental health patients io New Hampshire<sup>1</sup> found that per patient savings of \$5 per month were negated by a \$139 monthly rise in clinical and in-patient costs. Evidence suggests that these cost-

cootainment measures distort the pattern of patient care in ways that are wasteful and possibly unsafe, leading ultimately to a devaluation of the right to treatment the fundamental social rationale on which government public health systems were

For example, reference pricing schemes assign prices to products by

mber, 1971, 3, feerred of Law and Economics, 36: 71-97, 1962. 4. Sommersk, et. A., New England Journal of Medicine, 401 (10), 1964.

grouping them into broad therapeutic categories, such as those with similar active

ingredients. This ecourages movement toward therapeutic substitution, and can lead to choosing the cheapest rather than the most appropriate therapy. Several UK patient groups have reported a rise in complaints about the quality of NHS-prescribed medicines, including painkillers and antinausea drugs.

Further progress toward controlling lifethreatening diseases and improving the quality of life cannot be achieved without drug innovation. Cost-containment measures must be compatible with this goal, and take account

of several facts: (1) Drugs system of health care - it is both short sighted and counter-productive to view them in isolation. (2) Newer drug-based therapies are both less invasive to the patient and more cost effective in a number of diseases, and can play a role in preventive care. (3) Empowering patients and their doctors through better information on therapy options can serve as an alternative to coercive controls. Ultimately, government must learn to trust

the people and trust the market. William Looney is the author of "The Hidden Costs of Cost Control: Impact of European Drug Payment Reform on Access. Quality, and Innovation," shortly to be published by the Centre for the New Europe, Roularta Media Bidg., Research Park, De Hank B-1731, Zclifk, Belgium, Tel: (322) 467-5730, Fax: (322) 167-5605,

PFIZER FORUM EUROPE IS AN ADVERTISING SERVES

PFIZER IS & RESEARCH BASED, DIORAL HEALTH CAR PROBUCTS ARE AVAILABLE WORLDWIDE. THE COMPANY Conturer Health Care. God Relence and Ammal Health. Pfizer's Mission is to discover and develor Innovative, Cost-effective products that suprove THE BUILTTY OF LIFE OF

Daniel Green looks ahead to the pharmaceutical world in 2000

Healthcare vies with research

uestion: What is the connection between US railroads and the pharmaceuticals industry?

Answer: Theodore (Ted) Levitt, the former editor of the Harvard Business Review and management guru, whose thesis on railroads is now being quoted by executives in drugs

In 1960, Mr Levitt said that the US railroad declined because it was more interested in its products than its market; it forgot that its customers wanted transport, not trains.

Many in the drugs industry hear a message directed at them in his observation: after decades of concentrating on discovering and selling medicines, perhaps the key to further success is to recognise that patients want to be healthy rather than be given

Some of the industry's biggest companies have in the past year spent billions of dollars in transforming themselves into healthcare providers rather than just purveyors

of drugs.
Sandoz of Switzerland is the latest convert to the creed. Daniel Vasella, the new chief executive, says that Sandoz is

transformation towards a busiabout to turn itself into a ness based on healthcare was healthcare company. mada over the past year by Last month it said it would SmithKline Beecham of the sell its chemicals division. The UK. In an extraordinary series decision was momentons of deals, it bought a distribubecause Sandoz started life in tion arm in the US, Diversified the last century as a chemicals Pharmacenticals Services. company. "This is the grandstrengthened its over-themother business [of the comcounter medicines operation panyl," says Marc Moret, Sandwith the acquisition of Sterling oz's chairman.

The chemicals sale will be

followed by further disposals of

the agriculture and construc-

tion chemicals, says Mr Moret.

with core businesses in pharmaceuticals and nutrition.

This combination would allow

the company to create both

preventiva treatments in the

guise of nutrition, and curative

therapies in the form of drugs. It already has in advanced

development, a nutritional for-

mula designed for patients in

Sandoz is not alone in taking

hospital intensive care wards.

That would leava Sandoz

health business to Pfizer. Jan Leschley, chief executive, says that these deals have left SmithKline in core businesses - drugs, consumer healthcare and clinical laboratories. This combination "provides the keys to building leadership in the four cornerstones of human healthcare - prevention diagnosis, treatment and

Health, and sold its animal

Yet more companies are turning themselves into healthcare providers. They include Merck of the US, which hlazed the trail in 1993 with the

pharmaceutical sectors?

s there still a clear difference between the biotechnology and

On the corporate and financial

level, the two sectors remain reasonably distinct. Almost all blotech com-

panies are less than 15 years old and

most retain the corporate culture and the negative cash flow - of start-

ups. All the international pharmaceu-

tical groups, in contrast, are at least 50 years old – and hugely profitable. Only Amgen, the Californian star of

the biotech industry, is achieving the

pany, through its best-selling blood

factors, Epogen and Neupogen. Oth-

ers, such as neighbours Genentech

niche players, at best.

financial profile of a big pharma com-

Drugs industry in 20001

Research-driven Research-driven Research-driven Unreconstructed medical products healthcare companies

This table is not intended to be com

Hoechst\*

agement. Spending on drugs

accounts for perhaps 10 per

cent of the total healthcare bill

in developed countries. By-

healthcare, these companies

hope to tap a much bigger mar-ket. Instead of slicing up the relatively small medicines

cake, they could grow into the

healthcare market worth

\$1,000bn a year in the US

\$6.6bn acquisition of drugs distributor Medco. Fellow US company Eli Lilly followed SmithKline Beecham in buying a drugs distributor, and the UK's Zeneca agreed in December 1994 to spend almost \$500m for a 50 per cent stake in Salick Healthcare, a Los Angelesbased operator of specialist cancer clinics. Zeneca is a world leader in the production

Roche

of cancer drugs. There is more to this strat-The argument may look comegy than agreeing with Mr Lev-itt's critique of railroad manpelling, but there are some companies that have eschewed

Most want to stay as pure drugs companies. They argue

group is Glazo Wellcome, now. of Wellcome this year was affirmation that it sees its future in the discovery and marketing of new drugs. Also prominent is Astra, the

fast-growing Swedish company. In March it bolstered its research and development side by paying SKr2.3bn for Fisons R&D operations and drugs mavericks. Ciba of Switzer-development pipeline. land, for one, is determined to In the US, this strategy is

being most earnestly followed by Pfizer. Last month, it renewed its commitment to research as the top priority by signing a series of deals with biotechnology companies says simply that just because

the healthcare provider route. under the Pfizergen scheme. The company has not expanded beyond its traditional cere that whatever the structure of businesses of healthcare prodthe healthcare industry, there ucts into distribution and in the industry and faces will always be a need for genu- delivery because it has a strong portfolio of drugs on The biggest member of this sale and in research.

nesses to shareholders,

Yet he may have the last
laugh. Ted Levitt's thesis that "We think there are enough the world's biggest drugs com-pany. Glaxo's £9.1bin purchase bet the company on this strategy," says William Steere, chief executive

Thus the pharmaceuticals industry of 2000 should be split into two camps: the researchdriven drugs companies and the diversified suppliers of healthcare. There are likely to be a few

remain a drugs company that also makes industrial products such as aircraft components and agricultural products such as pesticides and seeds.

Ciba knows how to manage its diversified holdings. The likes of SmithKline, Merck, Eli Lilly and Zeneca have begun to chimb the learning curve.

many other companies are concentrating on drugs or health-

care, that is no reason for Ciba

Mr Krauer says that while

4 11 13

Sandoz may have admitted

that its diversified portfolio is

too complicated to manage, he

does not have that problem.

Rather the reverse industrial

and agricultural product sales

provide valuable cash flow for

the drugs side.
But he is in a small minority

analysts for failing to release

the value of the separate barsi-

the railroad industry would

have been saved by diversifica-

tion has been blamed for help-

ing trigger the corporate

in the 1960s. That is now con-demned for overstretching

management resources, creating bloated infrastructures and

leading eventually to wide-

spread sell-offs of non-core

enthusiasm for diversification

opprobrium from stock market



Cell evaluation in the laboratory by Celitech of Stough, Berkshire

# How different is biotechnology? asks Clive Cookson

# **Essential engineering**

intertwined between the two sectors.

Of course biotechnology, defined broadly as the industrial use of microorganisms, has its roots deep in prehistory, through the use of yeast to convert sugar into alcohol, bacteria to make yoghurt from milk, and so on. Drug companies have been making antibiotics and vaccines in microbial cultures for many decades. But the modern biotech era hegan

and Chiron, may be on their way there. But most of the world's 2,000 or with the discovery of "recombinant so blotech companies will remain tiny DNA" - the technical term for genetic Whereas the big pharma gronps engineering. In 1973, Stanley Cohen of command immense financial resources, the typical biotech com-Stanford University and Herbert Boyer of the University of California, San Francisco, discovered how to pany is burning cash on research and development - and will run ont splice genes from other species into bacterial cells, which then made milwithin a couple of years unless either it can raise more money from inveslions of identical copies or clones of tors or do a collaborative deal with a the foreign DNA.

Today, genetic engineering is used. wealthy drugs company. On the scientific and medical level, daily as a laboratory tool by every research-based pharmaceutical and however, the distinction between pharma and biotech has become very biotech company. This routine use of blurred. Originally, blotech comparecombinant DNA for R&D is as nies concentrated on large biological important as the better publicised applications; producing new drugs by molecules while the pharma industry produced small synthetic molecules.

by gene therapy, and creating trans- life recently through a technology genic plants and animals. How. do researchers use genetic engineering as a tool? They splice genes into micro-organisms (bacteria or yeast) or cells in culture, which then produce large amounts of the corresponding human proteins potential targets for new drugs. They may, for example, make an enzyme to determine its three-dimensional structure through X-ray crystallography;

this structure could then be fed into a computer to design molecules of the is done both in traditional pharmacentical groups and in young compa-nies such as Agouron and Vertex in the US, which are regarded as "biotech" although they are developing small molecules for production by synthetic chemistry.

Researchers are also using genetic engineering routinely to make human proteins as targets for drug-screening systems. This hit-or-miss method of drug discovery - testing large numbers of compounds in the hope of finding one with the desired pharmacologenetic engineering, treating patients - gical activity - has had a new lease of

called combinatorial chemistry that enables scientists to make (and keep track of) millions of molecular variants. Again, combinatorial chemistry is an active pursuit of the pharmaceutical industry and of specialist

start-ups. Such tools are intended to help find therapeutic small molecules. In contrast, the traditional biotech drug - if tradition is an appropriate word for such a young industry - is a large protein molecule produced by genetically-engineered organisms. Examples include hormones such as insulin and human growth hormone, blood factors, and immune stimulants such as. the interferons and interleukins. The same technology gives, us

genetically-engineered vaccines, such s the hepatitis B vaccine, which contain "antigenic" proteins produced by viral genes in yeast or mammalian cells. These are safer than traditional vaccines containing whole virus, . whether live or killed.

cines, which have to be purified and injected into the patient. Many believe the future lies in inserting DNA directly into human cells in the body, which can make the therapeutic protein (or vaccine) in situ where it is needed - an approach known gener-

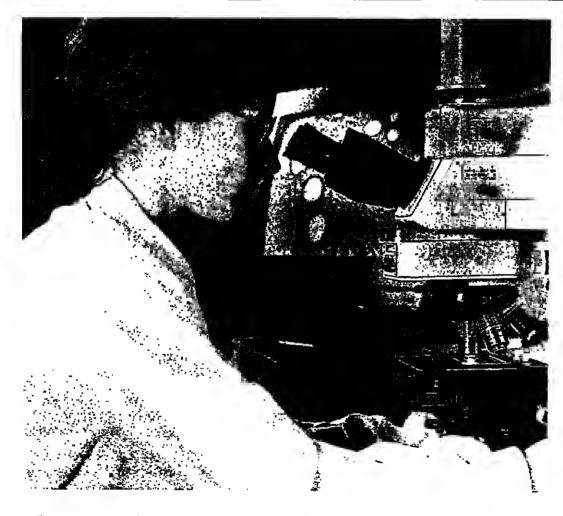
ally as gene therapy.

In agriculture, too, genetic engineering has a wide spectrum of applications, both in traditional agrochemicals companies and in biotech start-ups. Genetic engineering is a tool to help find chemicals that pro-tect plants better against disease, it can be used to produce protein toxins as an alternative to synthetic insecticides; and plants can have genes added directly to resist infection and/ or change their character.

"Genetic engineering is absolutely essential for us," says Dr. François. L'Eplattanier, head of R&D for Ciba of Switzerland. If we were not active in genetic engineering, we would be out of the game entirely by the beginning of the next century."

Every pharmaceutical research.

ments - and they will be the salvation of the cash-starved biotech sector. Every international drug company is simultaneously building up its expertise in genetic engineering and: its pipeline of new products, Already, however, biotech research through in-house research and a net-



# She's looking at a record year for the British pharmaceutical industry.

Research and development is the life-blood of the medicines industry.

It has always been and will continue to be a key focus for advances in healthcare throughout the world.

Today, companies in Britain are investing huge sums in research and development to help improve the treatment of many serious conditions including heart disease. multiple sclerosis, Alzheimer's and AIDS.

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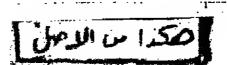
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حكذا من الاحل

GENERICS: Alan Archer examines the industry's growth

# The global solution to cutting costs

stood, the world's generics industry, with sales of \$14bn in 1993, has had an upsurge over the past 18 months. The drive by government health departits worldwide to cut costs and reduce healthcare budgets has put considerable pressure on the drugs bill. In many countries the generic solution has been seen

as a way to assist this cost-cutting exercise. The US is the biggest generic market followed by Europe, which is dominated by Germany, the UK, Denmark and the Netherlands. But it is noticeable that the generics market is spreading on a global scale with the Australian and New Zealand governments indicating the preferred use of generics. Even the government in the Philippines is proposing to promote

ar less well known than

tion and also less under-

its brand nama opposi-

According to the Philippines Generic Drugs Association the generics market in 1994 took a 13 per cent share of the market, compared with the 10 per

cent in 1993. However, it seems that it is the brand name companies, rather than the inde-pendents with their far greater resources, overseas experience, and new-found familiarity with generics, that appear to be taking the lead in global expan-

The cost containment measures have caused a betch of acquisitions with the drive being led by German compa-nies. Hoechst purchased 51 per cent of US-based Copley Phar-maceuticals for \$546m, Bayer took 28.3 per cent of another US company Schein Pharmaceutical, and this month the remaining German leading drugs company, BASF, set up its own generics unit by taking

a share in US company Ivax. There is a case of déjà vu between the smaller prescription drug companies and the small and mid-sized US and European generics companies in that they lack the distinc-tive products or critical mass resources, breadth of product line and marketing clout - necessary for success and will struggle to carve out roles for themselves, particularly in Europe, and therefore the market will consolidate.

At present, companies in the

US are not under so much pressure to go overseas. But this is not the case in Europe where the small and mid-sized companies that dominate most local generic markets need to expand beyond their borders to achieva critical mass and diversify political risk. The US generic market is the most active market and is worth about \$5hn. It has recovered well from the significant scandal in the late 80s that called for a year-long government investigation of the industry, producing charges of bribery, fraud, drug-switching and

The US industry is now one of the most profitable in the world with margins of 10 per cent/20 per cent," said Jay Molishever, director of poblic affairs at the US Generic Pharmaceutical Industry Associa-

Top 10 US pharmaceutical companies by prescription US prescriptions (000s)\* MMD/Rugby 106,749 BMS/Apothecon 97.966 AHP/ESI SmithKilne Beecham Mylan Merck 62,484 Schering Plough 58,408 57,905

Year to date Novembar 1984 tion (GPIA). "However, we will see continued consolidation of the US generics market," he added. "The generic upsurge has been belped by the massive infusion of new products with some of the higgest drugs in the pharmaceutical industry losing their patents."

Top 10 total

At the recent Financial Times world pharmacentical conference Charles Lay, president and chief executive officer of CibaGeneva Pharmaceuticals, said in 1992 to 1995 60 products valued at \$13.5bn are due to come off patent and in 1996 to 2000, a further 40 products with an estimated value of \$12m are due to lose their patent protection.

Ciba-Geigy whose Geneva Pharmaceuticals in the US is the second largest generic company has installed its own innovative healthcare strategy known as the "Keystone Proj-ect" analysing the healthcare market and identifying opportunities to fully utilise the strengths of its healthcare

Ciba has taken the decision to merge its brandname and generics sales and marketing forces into a single unit. Richard Barth chairman, president and chief executive officer of Ciba-Geigy Corp. said: "It will give customers convenient access to one of the broadest in-house manufactured lines of

branded and generic pharma-Geneva has also begun the

first stage of a five-year expansion/modernisation plan for its generic drug business. The \$52m project includes improvements for manufacturing, quality assurance, customer service, development and administrative operations. By 2000, Geneva's annual capacity will expand from 4b to

12bn capsules and tablets. In the UK, figures recently published clearly point to the gov-ernment's drive towards generic prescribing. A spokesman for the Association of the British Pharmaceutical Industry (ABPI) said that the level of generic prescribing in the UK was on an upward trend. In 1992 it was 43 per cent, in 1993 46 per cent, and up to 51 per cent in 1994. However, be pointed out the level of prescriptions dispensed was somewhat down on these figures at 35 per cent in 1992; 38 per cent in 1993 and 40 per cent in 1994. Taking a different approach

to its introduction into the generics market BASF has set up a European generics company operation. Speaking in Ludwigshafen recently to launch BASF's new strategic realignment of its pharmaceu-

tical operations, Gerhard Wolf chairman of the supervisory board at Knoll AG, said: "We cannot and do not want to ignore the generics market which has above-average growth rates of more than 10 per cent. We cannot turn a

blind eye to this market." be

ASF has been working on entry to the generic market for the past 12 months. It has created a good basis for entry by purchasing second registrations and dossiers for Germany with use rights for all countries apart from Japan and building up the newly-founded BASF Generics and acquiring the generics business of Sagitta Arzneimittel.

We think this is a sound foundation for our market entry," said Mr Wolf. The latest boost to its generics husiness is the 50/50 joint venture it has just signed with Ivax Pharmaceuticals, the leading generic company in the US and

Dr Thorlef Spickschen, bead of the pharma operating divi-sion of BASF and chairman of Knoll AG, said: "The aim of the Ivax joint venture is to expand our business in Europe, In a

relatively short time we have become the No 1 in the US and UK, the two biggest markets in

the world."
The joint vecture will operate in the German market first and then advance into other European markets. "We also want to be in right at the beginning of the new French generic market, which we feel is imminent, as well as the Spanish, Portuguese and the Italian markets." said Dr

Spickschen.

"The major cost benefits and product improvements that come from our new patented extrusion technology will also give us important competitive advantages in the generics seg-

ment," added Dr Spickschen. Many industry observers firmly believe there will be further consolidation and integration in the generic industry. Generic companies need the large ethical manufacturers to provide the funding for research in order to develop the big selling drugs for their

new opportunities. The once cut-throat traditional rivalry between the two groups is rapidly declining as both groups seek to explore new kinds of relationships There are, bowever, several leading brandname manufacturers, such as Glaxo Wellcome and Pfizer, that bave so far refrained from entering the generics sector.

Alan Archer is Editor of Financial Times newsletters, Pharmaceutical Business News and Riotechnology Business News.

### Cost-benefit analysis

# A game that has no rules

Clinicians' desire to choose the most efficient treatments, so as to free funds for more marginal therapies, has given birth to a new discipline - with little discipline - in the form of phar-

As a science aimed at calculating the economic gains of using one treatment over another, it is proving fraught with problems: caused mainly by a lack of standards.

Each pharmacoeconomic study is an ad hoc mix of existing research on clinical benefits, empirical data on financial benefits and theoretical models of the economic implications of different treatments.

There are few norms in deciding how wide to cast the net in the search for financial gains. And where a monetary value is assigned to changes caused by a drug, it must be done in the absence of standardised conversion factors.

It is against this background that the US Food and Drug ? ... Administration principles for a regulatory approach to

and considers the dilemmas in searching for standards in pharmacoeconomics macoeconomic studies.

JENNY LUESBY

The FDA cannot afford to be a referee in a game that has no rules," said Janet Woodcock, director of the FDA's Centre for Drugs Evaluation and Research.

The draft promises a rigorous examination of the assumptions made in pharmacoeconomic studies, and requires that any claims made on the basis of such studies should be substantiated. But its emphasis is on preventing unproven claims, rather than on laying out a framework to facilitate comparisons.

This leaves the pharmacoe-conomists, and the interpreters of their studies, with a number of dilemmas to address, perhaps the most important of which is the appropriate scope

of such studies.

Confining studies to the benefits for healthcare institutions produces the most clear-cut results, and in Australia, the regulatory authorities require such assessments as part of the drug approvals procedure. But this limit can be to the detriment of the patient, argues Dr Joseph Jackson, axecutive director of outcomes research at Bristol Myers Squibb.

Concentrating on short-term transactions, such as doctors' services used and hospital stays, produces out-comes that are driven down in favour of very minimal care the sicker and quicker driva to distharge patients," he says. "In deciding what benefits

matter, you have to decide what your goal is. If it is good population health, working out the best way to get to that includes the utility to patients and benefits to society.

Considerations such as these have seen pharmacoeconomists undertaking a growing number of quality of life analyses. These might include the financial benefits of a reduced absence from work, hut might also seek to quantify reduced levels of pain, incapacity or

Studies sometimes need to consider longer-term and indi-rect benefits as well, such as the reduced chance of a recurrence of illness - which would, ultimately, generate savings for both tha healthcare pro-vider and the patient. For vaccines, this type of gain can be the sole reason for incurring a

However, as the scope of a model widens, so too do the margins of error. Brave is the pharmacoeconomist who innounces that using a particular drug confers six more bours of migraine-free time a month. And placing a financial value on those hours is an even more perilous affair.

The FDA proposes dealing with these problems in several ways. It would require any pharmacoeconomic analysis to state whether it has been designed from the viewpoint of the patient, the payer, society or any other party.

This, it says, would allow readers of the analysis to understand the rationale for the selection of costs and benefits. It would also require sensitivity analyses where theoretical modelling has been used, to show what margin of error there might be on any one variable, and how much difference changing that variable would make to the overall out-

If the net financial gain in using a freatment disappears with the loss of a migraine-free

hour, it is important for last month looks at a new discipline understand the importance of that variable to the final claim. Healthcare

more information about the assumptions made in a study, through both journals and

But it is not feasible for healthcare huyers to go through the fine print of every pharmacoeconomic study, and even if they did, many would not be in a position to judge the limits of a particular methodology, says the FDA.

The FDA draft proposes that the basis of any conclusions on the resources affected, and monetary valuations, should be clearly explained in studies. and it promises to examine the validity of the assumptions made. It also requires that modelling should only be used when it is impracticable or impossible to gather data

This leaves open the question of what constitutes impracticable.
Empirical data on costs col-

lected prior to a drug's approval would include the unusual costs associated with clinical trials. This would need to be accurately discounted for the results to be meaningful.

Such a study would also need to draw on a far greater sample than a clinical trial, which is normally confined to observing the clinical effects of a drug versus a placebo. A study on comparativa economic ontcomes needs to assess the costs of various treatments, in all the circumstances that arise in everyday

These problems have tended to push drug companies towards theoretical modelling in assessing the economic effects of their drugs.

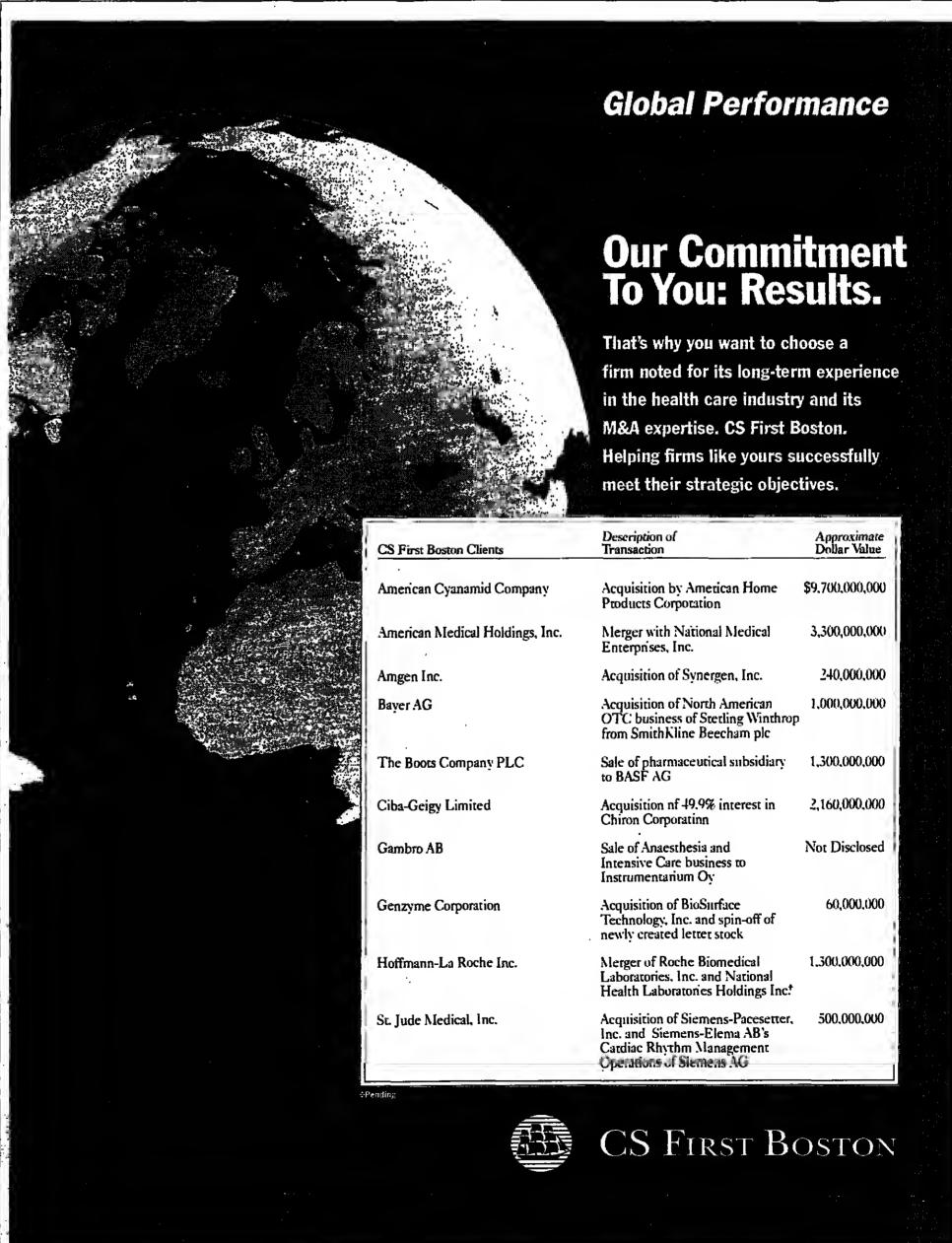
A better approach, says Dr

Jim Attridge, head of economic affairs at Zeneca, would be to conduct empirical studies after approval. This would also remove pharmacoeconomic claims as a potential obstacle to approval.

But it would leave drug companies without information on he cost-effectiveness of a drug at its launch, and, possibly, for several years afterwards. Moreover, tha role of the regulatory authorities in assessing the accuracy of retrospective studies is still very unclear.

The FDA draft is now out for discussion, and it could lead to

ensuring the scientific rigour of pharmacoeconomics. But an in-depth understanding of the methodology looks set to be a requirement for some time for any reader who wants to be sure they are comparing like



UNITED STATES

# **Competition stabilises prices**

facturers dodged a bullet last year when President Bill Clinton's plan to reform the US health care system withered and died - and with it a proposal to impose price controls on drugs.

But the price discipline the government failed to impose is taking effect anyway in the market place.

Labor Department statistics show pharmaceutical prices rose by just 0.9 per cent in 1994, the lowest annual increase since national price controls were last in effect under President Ricbard Nixon, 20 years ago, and just one third of the overall rate of inflation last year. tical industry was only forced care formulae such as health into a rare display of self-remaintenance organisations. Some health care lohbying

groups dispute the statistics -Government

health policy FT writers describe how health policy relates to the pharmaceuticals industry in

which it is evolving

samples of some of the top-selling drugs can show much steeper price increases - and others say thet the pharmaceustraint in a panic-stricken attempt to ward off price con-

But Stephen Conafay, executive vice-president of the Pharmaceutical Research and Manufacturers of America trade association, said the lower rate of increase reflected "intense price competition driven by managed care groups, which now account for a majority of prescription drug expenditures

in the US" Many large companies. which are the biggest providers of health insurance in the US, are switching to managed

which charge a flat fee for all health care and thus have an incentive to keep costs down by primary and preventive care and tough price bargain

The new Republican majority in Congress has no comprehensive health care reform plan yet.

However, it is looking in the direction of managed care as a way of bringing the costs of government health programmes such as Medicare and Medicaid under control.

George Graham

#### UNITED KINGDOM

# Struggle to keep down the cost

Drugs sales in the UK are rising faster than in any other developed country except the

The UK spends about £50 on drugs per person each year, still well below, for instance the £82 spent in the US and the £100 in Italy.

However, the government's Pharmaceutical Price Regulation Scheme (PPRS) has struggled to keep prices down. The PPRS allows drugs companies a return on capital employed in the UK of about 20 per cent. In 1993, companies prices by 2.5 per cent.

The PPRS lets drugs companies set prices, within limits. In countries such as Germany and Italy, governments set prices. Ideally, the PPRS keeps prices down while belping UK companies finance research and development. After all, this is an industry in which the UK runs a trade surplus with Japan. Nevertheless, some

commentators claim that drugs

and so good at accounting, that they are usually able to show UK profits below the limits set. Companies argue that price cuts could hurt their medicines

Some government measures may be working. The new fundholding GPs, who control their own budgets, tend to prescribe generic rather than expensive "name" drugs. GPs are responsible for the bulk of UK drugs spending.

Ms Alexien Isaac, a pharmaceuticals analyst at Panmure Gordon, said: "Drugs companies can no longer obtain price increases on older products.

But without radical attempts to control prices, NatWest Securities forecasts about 10 per cent annual growth in the UK drugs market this decade. That could give the government a headache unless rising drugs spending saves money in the rest of the National Health Service.

### **GERMANY**

# Spending on drugs drops

tackled drugs spending. Germany has done better than

It bad little choice. Germany's population is ageing faster than the European average, reunification created huge costs, and German drugs prices were among the world's higbest. Reforms began in 1989, with reference prices for drugs with the same sub-

But the government's most radical measure came in 1993: a national prescribing budget

They were told they would have to pay part of any excess spending themselves. Also. drugs prices were cut by 5 per to contribute more to the cost of their medicines. The doctors' drugs bill dropped 15 per cent in 1993, twice the fall for which the government had budgeted.

But hospital drugs spending, exempted from control, rose by the same proportion: docwere hospitalising

for their drugs. Referrals to hospital rose fastest for es which required a lot medicine, such as asthma and ulcers.

Thus, total drugs spending fell just 5 per cent in 1993, enough to prompt many German drugs companies to shift investment abroad. But in 1994 the domestic

market recovered by 6.5 per t - it could hardly have further, fallen prescription volumes already so low. Germany now spends £95 on drugs per person per ar, less than France and

government is considering giving doctors individual budgets encompassing all costs, not just those of drugs.

Ms Susan Haylock, a European pharmacenticals analyst at NatWest Securities, forecasts 8 per cent annual growth in the German market for the next few years.

Simon Kuper

#### **FRANCE**

# Comfort medicines boost the pill bill

France has the lowest drugs prices of any principal market, but the French take five times as many pills as the British.

France therefore spends £110 on drugs per person per year, more than the US and more than double the UK. The volume of drugs prescribed has been rising by 11 per cent a

The French govarnment would have to change a culture to reverse the trend. Instead, it issued prescribing guidalines last year to help doctors use drugs rationally.

One area for savings is the "comfort" medicines com-monly prescribed in France. These do no actual good, but please patients.

Doctors breaking the guide-lines are liable for fines of up

The government last year hegan signing individual contracts with drugs companies to limit drugs prices, volume, and promotional spending. It hopes these contracts will cover nearly all French drugs companies by the end of 1995. And patients now have to pay up to quarter of the cost of their

These measures have hardly had time to blte. Ms Susan Haylock, a European pharma-ceuticals analyst at NatWest Securities, reported: "The fact that pharmacentical sales growth fell from 6 per cent in 1993 to just 3 per cent in 1994...mainly reflected a very mild cold and flu season."

The French use lots of antibiotics. More reforms may follow the presidential elections this But as the earlier reforms

take hold, companies may concentrate on developing innovative products which command a price premium.

This would gradually raise the price of French drugs to the international average. The attempt to curb drugs spending could boost the industry.

. Simon Kuper

# LOBBYING GOVERNMENT: Claire Wilkinson reports

# Talking down barriers

more than most other industries, it finds cause to lobby government on a regular. basis. Lobbying is by tradition defined as a means of responding to problems. However, the UK-based industry is now approaching lobbying in a spirit of communication.

consultation and co-operation. As Ben Haves, director of public affairs at the Association of the British Pharmaceutical Industry (ABPI), says: "Lobbying is not about twisting arms or gin and tonics. It's not simply about saying We're industry this is what we want, that's it'. It's actually about the business of saying to people 'Do you understand what wa do and how we

do it?'.' The Pharmaceutical Industry Strategic Working Group. set up about two years ago by the ABPI, hrings together representatives from industry and various government departments such as the department of health (DoH), the department of trade and industry (DTI) and the Treasury to discuss "cross-industry, cross-government issues of common interest". The working group meets around four times a year, and is an industry-led attempt to "get government and politicians renerally across the board to think long term so that we as an industry can work sensibly and plan sensibly for 20 years ahead, rather than in the short term", he says.

With drugs taking anything up to 10 to 12 years to reach the market, the financial advantages of adopting a long-term view are clear. According to figures published by the Central Statistical Office (CSO), the UK is the fourth largest exporter of drugs in the world, accounting for about 12 per cent of international trade annually, and in 1992 a total of £2,993m pharmaceutical products were

exported from the UK. As Mr Hayes explains, "We hring employment, economic success and exports to a coun-

try which at the moment is

vived and gone on being successful and we've said if you want us to go on being successful then we have to sit down and think long-term'."

Improved relations between . govarnment and industry have resulted in a combined initiative to promote the UK as an affractive base for foreign companias. "We ara going out to Japan and the US niotech companies to sell the UK as the place to be for the

future," he says. The issue of inward investment is an increasingly important part of lobbying for foreign industry associations sucb as the London-based American : Pharmacentical Group (APG), which represents some 14 US companies

Dick Bailey, chairman of the APG, says: "Our programme is to have private meetings with people who are in the seats of power or at: least very close to it and we tell them that the measure they're thinking of introducing or that they might introduce would be highly damage ing or dangerous to inward

mvestment prospects." Like the ABPL the APG es lobbying as an exchange of information between industry and government, aimed at prevention rather than cure. It's not lobbying at all, it's a dialogua with government where we talk about controls that are necessary before they're even developed, rather than being faced with a fait accompli and having to be in a confrontational moda with government," he explains.

In recent years, industry campaigns have focused on issues including the Limited List and NHS reforms, generic substitution and patent protection. But with how much success? Proposals to extend the Limited List of NHS medicines across another 10 cate gories, put forward by the government at the end\_of 1992, so far have resulted in announcements in only about five categories.

"While it's certainly not

struggling in terms of its been without damage, it has is subject to such stringent industrial base. Despite all been an exercise in damage regulatory controls, that, the recessions, we have sur limitation, because the potential damage was far harder." says Mr Hayes. "That's not to say it's gone away. Clearly, as long as there's this Limited - List hanging over a category, there's a disincentive for a company to hring on a new

EXECUTE:

Likewise, Mr Bailey suggests, "Without having had assurances from government specifically, I would say that I'd be very surprised if the government went further down that road. We've been quite successful in pointing out that it's very bad for innovation, very bad for investment because companies will signal their disapproval by going elsewhere, and it doesn't save much money." . In the case of generic sub-

stitution, however, the industry claims a more clear-cut success. In February 1994, Dr Brian Mawhinney, then min-ister for health, told a House of Commons health commit tee he proposed re-opening talks with doctors aimed at increasing the proportion of generic drugs dispensed under the NHS. Existence of the Working Group enabled the ABPI "to use dialogue through established channels to go back to the DoH and other departments and say Do you realise the potential this has?"" As a result, Virginia Bottomley, the health secretary, announced at the FT World Pharmaceutical Conference in March 1994, that the government was not going to pursue the issue of generic substitution. "It's another example of simply explaining to them what they're doing," says Mr Hayes. "Once yon start talking to people you break down barriers, and you suddenly-realise that you're not on the other side of the fence at all." You're coming from a different direction, but a hug amount of your agenda is absolutely the same."-

Claire Wilkinson is a writer on

### JAPAN

# Japan strives to curb costs

Thirty years from now Japan will have the world's oldest population. It already has the world's highest drugs prices, and the government foresees

an expensive problem. Japan began trying to cut drugs prices 15 years ago, at a time when its drugs market was as large as that of the US. The prices of some medicines fell hy more than half in the

The government has in recent years cut prices every other April - in 1994 by 6.6 per cent. It is also trying to find

ways to tackle doctors, who buy most drugs from companies at a discount hut charge the government the full

apanese companies, which dominate the domestic market, coped with last year's price squeeze by reducing costs and concentrating on developing drugs which command high margins at home. Japan's Ministry of Health and Welfare offers high premiums for supposedly innovative

deficit with the European Union. Rohin Gilbert, a of the domestic drugs

THE BEST BUSINESS LOCATION IN THE UK

However, since these are also

taken to include "me toos" copy-cat drugs that differ only marginally from the original product - many Japanese products sell poorly abroad.

pharmaceuticals analyst at Panmure Gordon, says: "None companies have moved out of Japan successfully."

Only four Japanese groups generate more than 10 per cent of their sales abroad. Mr

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NAME

POSITION

COMPANY ADDRESS

Gilbert believes the companies may be too small to finance enough research and development to compete internationally. And the mergers taking place among drugs companies elsewbere

hava not been replicated in

Meanwhile, foreign companies are making headway in Japan. They may be the ones to profit from the country's

elderly.

Simon Kuper

FT13/4/95

# FINANCIAL TIMES



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edicines sold over the counter (OTC) are no

longer a minortty

their pride over generics, the

end of healthcare: the con-

Lambert in July 1993.

ingly into the pharmaceutical

The trigger point was Smith-Kline Beecham's \$2.9bn acqui-

sition of Sterling Winthrop's

OTC business from Eastman

Kodak last August. Within two

weeks the North American components had been sold on

to Bayer for \$1bn. Ciba then

paid \$407m for the North

Amarican OTC assets of

Diversification into OTCs is

largely a response to three

trends: governments hent on

reining in drug costs are

**EUROPEAN MEDICINES EVALUATION AGENCY** 

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Wellcome.

# e Wilkinson reports

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#### PHARMACEUTICALS V

US FOOD AND DRUG ADMINISTRATION

# **Caution attacked**

A new Republican majority took over Congress in January determined to slash government bureaucracies down to size. One of its favourite targets in this crusade is the Food and Drug Administration, the US agency which oversees the safety and effectiveness of pharmaceuticals, medical devices and many foodstuffs.

"If a murderer kills you, it's homicide. If a drunk driver kills you, it's manslaughter. If the FDA kills you, it's just being cautious," runs an advertisement by the Washington Legal Foundation, one of a host of conservativa think tanks and advocacy groups which have launched a viru-

lent assault on the agency. Dr David Kessler, the FDA's commissioner, has not escaped the attack. Newt Gingrich, the new Speaker of the House of Representatives, has called him "a thug and a bully".

This is tough talk for an agency with a distinguished record of saving tha US from disasters such as thalidomide, which slipped through the looser mesh of British and German drug licensing procedures. The FDA is required by law to approve drugs that are not only safe hut also effective - a higher standard than many other countries' drug agencies. It is especially curious as Dr Kessler, a lanky and unsmiling

7 × 121



David Kessler, has made enemies In the industry

the Republican administration of President George Bush. He stood side by side with vice-president Dan Quayle, the Bush administration's chief deregulator, to announce plans to cut the time it takes to license a new drug.

Kept in office by President Bill Clinton, Dr Kessler now finds himself under fire because tha FDA still takes longer than many other countries to issue a licence

and delay has produced a situation where avoidable loss of life and health occurs every day," said Congressman Thomas Bliley, chairman of the House commerce committee, at a recent set of hearings

from the last session of Con-gress, when Dr Kesslar took the prosecutor's role in a series of hearings intended to sound out whether nicotine was an addictive drug which the FDA should therefore regulate. Indeed, Democratic congres

sional staff suggest that it is the tobacco hearings that have fuelled Mr Bliley's zeal to overhaul the FDA, since the Virginia congressman is the ohacco industry's staunchest defender in Congress.

But Dr Kessler has made other enemies In industry with his activism at the FDA: tough action to ensure that US blood stocks are free of the Aids virus, a swift move to stop the use of silicone breast implants, strict constraints oo the health claims that makers of vitamins and nutritional supplements may make for their products, detailed new criteria that food companies must satisfy before calling their products "healthy" or "light".

The FDA has not stood still under fire. It has already been at work to cut applications backlogs, and claims to have lowered the median approval time for new drugs to 19 months last year - and much lower for breakthrough drugs or drugs with life-saving poten-

George Graham | removing reimbursement from | France and Spain, the phar-

OVER-THE-COUNTER MEDICINES: Peter Mansell reports

taste in the pharmaceutical market. Just as brand-name Into the mainstream manufacturers bave swallowed constrained environment of recent years has pushed drug companies closer to the sharp non-essential medicines; consumers are showing increasing interest in, and willingness to take responsibility for, their own health; and a number of

OTC products are a diverbig-selling drugs are reaching the end of their patent term. gent breed, part medicines and part fast-moving consumer Companies with a foot in goods. In the past, drug strateboth the prescription and OTC camps can start thinking about gists with loftier aims have kept their distance. Yet even Glaxo, which has long-esextending a product's life cycle through conversion to OTC status - what Harry Groome, chewed the OTC sector, eventually recognised the economic logic of extending the lives of chairman of SmithKline Beeolder products in the OTC marcham Consumer Healthcare, ket, linking up with Warnercalls "managing the molecule"

Glaxo secured a second point haven in a turbulent pharmaof entry by acquiring Warner-Lambert's other OTC partner, ceutical market? OTC sales account for 18-20 per cent of the total drug market world-The merger capped nine wide and this proportion is expected to reach 22-25 per months of deals that are reshaping the non-prescription cent over the next five years. market and drawing it increas-While there is general agree-

So are OTC medicines a safe

drugs, it is unlikely to reach double figures. Among the restraints in Europe are strong deference to GP opinion in important markets such as France and Germany, making companies reluctant to reposition their semi-ethicals (products available OTC but still prescribed and paid for by the state) as consumer-driven hrands; and the pharmacist's continuing

ment that OTC growth will

outstrip that of prescription

monopoly of OTC sales. In countries such as Italy. channel. European govern-ments are expected to drag their feet on deregulation and the more cost-efficient pharmacy chains are still mostly a UK phenomenon.

In the past, OTC companies have made little headway in persuading pharmacists to recommend specific brands. However, pharmacists are now beginning to realise that advising the public on OTC medicines - particularly the more powerful ingredients switching into the non-prescription mar-ket - can flatter their professional standing.

onservatism among regulators is seen as a further barrier to more vigorous growth. Other Euro pean licensing authorities appear in no hurry to follow the UK Medicines Control Agency in fast-tracking switches, Moreover, some governments still fear that opening up the OTC market will encourage over-consumption, or that public advertising of switched products will rebound in higher prescription sales. "It is still a very regulated industry," says Roland Jeannet, worldwide head of Ciba's Self-Medication division.

Such caution is more understandshle in the US context of liberal distribution and saturation advertising. During the

past year, advisers to the Food and Drug Administration have turned away such high-profile switch candidatea as Smith-Kline Beecham's Tagamet, Merck/Johnson & Johnson's

Pepcid. Warner Wellcome's Zovirax and Upjohn's Rogaine. The initial rejection of Zovirax - a success story in Europe as a consumer remedy for cold sores - raised questions about whether the net has been cast too wide in the search for new OTC contenders. Its US indication for genital herpes, made Zovirax something of a unique case. But the advisory committees' concerns about inaccurate self-diagnosis or the development of resistant viral strains carry implications for

switches In general. If products do cross over successfully, the pay-hack can be substantial and spread over a long lifespan. Some US switches have more than tri-pled their sales and nine of the top 10 recent OTC launches were switched products. Less tempting are the high barriers to entry in the OTC market. Gross margins are lower than for prescription drugs and advertising costs are becoming prohibitive.

Like the recent flurry of mergers, this will accentuate polarisation between pan-European or global companies with mass-market hrands and smaller, local companies focussemi-ethicais, Some of these

local companies will survive the wave of consolidation. Despite the lobhying efforts of multinationals, there is no guarantee that companies will he able to duplicate brand

names, labelling, packaging

and advertising on a global It looks as if consolidation will continue, albeit at a less frantic pace. The OTC market is still relatively fragmented much more so in Europe than in the US and Japan. In 1994 the top 10 OTC companies accounted for about 37 per cent of the OTC market worldwide. What will be the lifeblood of these new OTC giants? Clearly switches will play a substantial

likely to remain at the core of OTC strategy. There are also new OTC markets to cultivate: China and the Pacific Rim, India, Latin America, Central and Eastero

role. Even so line extensions

and new formulations are

Europe, and Africa. OTC companies still see plenty of mileage in the three leading OTC categories - analgesics, cough/cold remedies

and gastrointestinal products. But fresh impetus will come from "lifestyle" products such as vitamins and mineral supplements, catering more to a general sense of "well-being" and from new OTC indications: diagnostic tests, smoking cessation aids, antivirals, antifungals, topical antibiotics, and perhaps even oral contraceptives, appetite suppressants or remedies for ageing.

Peter Mansell is editor of FT OTC Business News,

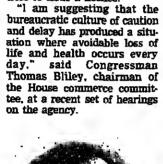
ust three months after its birth, Europe's new medicines agency is making its presence felt.

physician, was appointed in

Bayer, the German chemicals and pharmaceuticals company, has decided to locate its European drugs regulatory headquarters in the UK because of the agency's siting in London's docklands.

Many other companies have opened offices in London to liaise with the agency, And just about every pharmaceuticals company is considering how much it ought to invest to be close to the organisation that will oversee the approval of drugs in the European Union.

The UK government bopes that regulatory affairs offices will be followed by research and development and manufac-



Fernand Sauer; pledged to break

speed records for drugs approvals turing investment, both of which may work more smoothly with rapid access to regulatory authorities.

Yet the organisation at the centre of their attention is not for the foreseeable future going

Fast-track approvals service Washington's all-powerful

Food and Drug Administration. For a start, the European Medicines Evaluation Agency plans to stay small. Fernand Sauer, executive director, is adamant that be will not preside over a bureaucracy with several thousand employees. His Canary Wharf offices will have only 100 staff at the end

of the year.
This is largely because, unlike the FDA, the EMEA will itself do none of the work of evaluating drug approval appli-

cations. Instead it will co-ordinate the teams of experts from

EU member states. It has established a structure that it believes will ensure efficiency: if a company does not want to use the EMEA, it has the option under EU rules to use one of the national agencies as the co-ordinator of its application instead.

But Mr Sauer is confident that drugs companies will not want to use anyone else. He has pledged to break speed records for drugs approvals, pushing through a decision

within 300 days. The FDA takes almost two years on average to approve a drug, and Germany has frequently been slower than that,

More than that, its expert teams will have published a recommendation on whether or not the drug should be approved within 210 days of the filing of the application. This allows an early start for preparation for product launches because the European Commission, which makes the final decision, will be hard-pressed to challenge

expert decision in its 90 days, Perhaps not surprisingly, Mr Sauer has widespread backing among drug company chiefs. Ultra-fast drug approvals could be very profitable. This industry bas a rule of thumh hy which a successful new drug will eventually earn \$1m a day in global sales revenues, The European Union accounts for about 40 per cent of global sales and It does not take a calculator to work out how much money an extra few months of sales revenue can

mean to a company.

Comparisons with the FDA and other medicines agencies are perhaps not fair. Able to start afresh, the EMEA has brought to its aid the power of modern information technology. Drug application dossiers contain the details of clinical trials and can run to 100,000 pages. The EMEA will take applications on CD-ROM and distribute documents on electronic mail. That second step can save a week or two alone, by comparison with the older method of printing out paper versions and posting them, says Mr Sauer.

But it should not be surprising to learn that an organisation with such radical aims has enemies. Drugs companies executives, and even agency officials know that some national agencies would not be

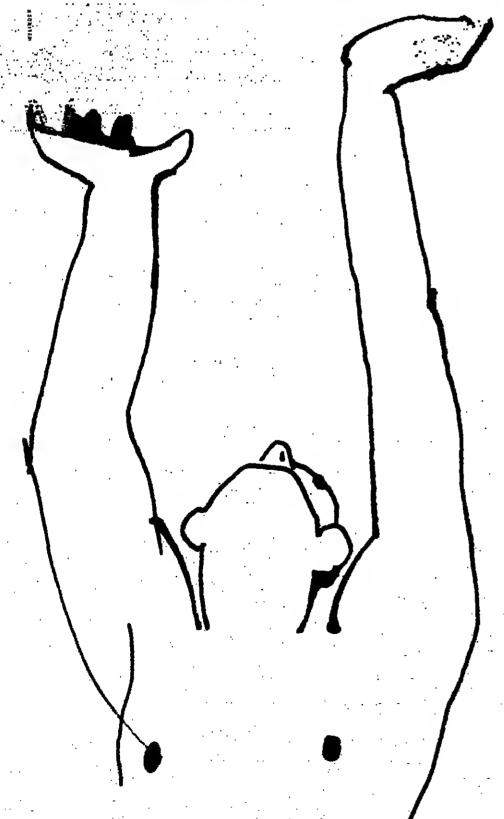
sorry if the EMEA tripped up. And some doctors fear that the fast-track approvals idea will eventually lead to the disaster of a dangerous drug going on sale.

The testing period should be over within three years. The EMEA is already considering the first drug applications. If it can demonstrate its own safety and effectiveness its future is assured, it may even become a model for agencies in the Americas and Asia and be able to huild bridges between them so that, for example. European approvals could hasten approvals in other countries.

But if it fails, national agencies will reclaim their right to control what drugs are sold in their domestic markets.

**Daniel Green** 





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OATED this 19th day of April 1995 LAWRENCE GRAFIAN

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presented to the Court of Ser April 1995 at the instance of Day estional (U.R.) Limited, a Company incor-

DD3 98th, for Confirmation of Reduction of Capital Redemption Reserve, the Capit has pronounced the following interlocator;

"21st April 1995 Lord Allanbeidge The Lord Ordinary appoints the Petition to be informed on the Walls in Cossume form and to be advertised once in the Edubargh Gazette and once in each of the Dunder edition of the Courter and Advertises," newspaper and "The Scotsman," "Herald" and "Fonnecial Theses Recognings or amounted all portice delimina as

Of all of which in

# INTERNATIONAL PEOPLE

# Nikko gets new man in Europe

■ Michel de Carvalho, 50, who spent 15 years with Credit Suisse First Boston, to co-chairman of Nikko Europe. He will work with Masashi Kaneko. current chairman. ■ Heinz-Helmer Puetthoff,

Vaba's company lawyer in Dus-seldorf, to president at Veba Corporation in New York suc-ceeding Klass Peter Jacobs, who has retired.

M Stephen P Smith, deputy managing director of British Shoe Corporation, has replaced Alfred Niederer as Paris-based president of the European operations of Canada's Bata Shoe Organisation. Roger Rutz, former chief

cutive of the Chicago Board of Trade's clearing house, becomes an advisor to the Singapore International Monetary Exchange. He will review its clearing and settlement operations, end market surveillance system.

Paul Cantor to chief executive officer of Canade's National Trustco. ■ Herman Bruggink, 48, chairman of Elsevier and co-chair-man of Reed Elsevier, has taken Pierre Vinken's place on the Reed International board.

John J. Byrne becomes en advisory director of Lehman Brothers Holdings. ■ Nick Brookes, 45, head of new business development at BAT Industries, is to take over from Tommy Sandefur, 56, as

chairman and chief executive of Brown & Williamson, BAT's US tobacco subsidiary. Joseph Gromek, 48, previously senior vice president and

general merchandise manager at Ann Taylor, to chief executive officer at Brooks Brothers, Marks & Spencer's US unit. Harry Langman, a former Dutch minister of economic affairs, has replaced David Kendall as non-executive chairman of Meyer International, UK builders' merchants. ■ Brian Galloway to managing director of Deutsche Bank's

new private banking unit in London ■ Will Samuel to regional managing director of Schroders European investment banking

group, comprising the Euroean securities and European corporate finance businesses. Richard Broadbent heads the European corporate finance Michael P. Dugan, a former Smith Barney managing director, to president of Metzler Corporation, a US subsidiary of Germany's oldest privately

owned banking group.

■ Sigirido Korkowski to genaral manager of **Rastman** Kodak's medical business in the Americas, and vice president of its health sciences divi-

■ Tim Clarke, 38, managing director of Holiday Inn Europe, Middle East and Africa takes over as chief executive Bass Taverus following Philip Bowman's move to Australia as Coles Myer's finance director. ■ Richard Lussier to chief executive of Siemens Nixdorf Americas. He will continue as chairman of the recently acquired Pyramid Technology Corp.

■ Sven Liliegren, former head of Wella's consumer division in-Sweden, to general manager of Helene Curtis Scandinavia AB. ■ John A. Scott and Gregory L. Vereschagin to vice presid acquisitions, of Dun & Bradstreet. Vereschagin joins from ■ Albert Bonar to head of Nat-

West Markets audit group — Asia. He was with Standard Chartered Bank.

■ Tom J. Landa, former assistant treasurer of Exxon Company USA, to vice president and chief financial officer of Florida Steel Corporation. ■ Peter M. Rosenfeld, 37, to director of new generation vehicle programs, at Chrysler

Corporation replacing Timothy R. Adams, who becomes pres dent - Chrysler Europe. ■ Mark Sievewright, former senior executive of Europay International, to European managing director of Payment Systems Inc. e financial ser-vices subsidiary of NFO

■ Sir Christopher Hogg, 58, who retires as chairman of Courtaulds Textiles nextmonth, to non-executive deputy chairman of Allied

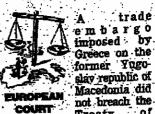
Graham Jones, formerly a partner with KPMG in the UK, to partner in charge of KPMG'a

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# No breach in Greek embargo



not breach the COURT Treaty of Rome, according to a preliminary opinion of the European Court of Justice.

At the beginning of 1994. Greece prohibited imports from and exports to the republic in an attempt to force it to stop using the name "Macedonia" and to remove e Macedonian symbol from its flag. The European Commission

brought an action before the European Court alleging that Greece's actions were contrary to the treaty. Greece argued that it entitled member states to take unilateral measures in certain circumstances, even though they affected the functioning of the common market. Such circumstances arose in times of serious internal disturbances affecting the maintainance of law and order, in the event of war, in times of serious international tension constituting a threat of war, or tions accepted for the purpose of maintaining peace and international security.

Advocate-general Francis Jacobs found that but for the safeguard clause in the treaty allowing such unflateral action, the embargo would have been in breach of the EUs common commercial pol-

The union had exclusive competence in this field and thus member states could not edopt untlateral measures restricting trade with third countries, except insofar as such action came within the ambit of the safeguard clause. The advocate general found the embargo was not justified on the ground that it was necary to counter serious internal disturbances affecting the maintenance of law and order.

But he said that Greece was: entitled to rely on the treaty provisions insofar as they illowed unilateral action in the event of war or serious international tension constituting a threat of war.

The advocate general emphasised the powers of the court were severely limited when dealing with such issues. It was not for the court to adjudi-

trade cate on the substance of the dispute between Greece and Macedonia. It had to decide whether in the light of all the circumstances, Greece rould have had some basis for the sidering, from its own s tive point of view, time strained relations bet itself and the republic degenerate into armed a Each member state was i placed than the EU institu or the other member sta assessing the dangers po it by the conduct of a t state. On that basis, itnot be said that Greece

acted wholly unreasona The advocate gen stressed the court's power determining whether Gree had made improper use powers provided by the guard clause in the ta were also extremely limited Foreign policy was a tially still a matter for the vidual member states. I

after the changes introduce by the Masstricht treaty was still for each member interests whether to recognis a third state and on what foo ing to place its relations with considered the attitude of a third country threatened its vitai interests, its territorial integrity or its very existence, then it was for that state to etermine how to respond.

It would only be making improper use of such powers if the real purpose of the action taken was to protect its own economy or the interest of its domestic traders. That was not the case here.

The advocate general dismissed the arguments that the embargo had breached the principles of equal treatment and proportionality. There was no evidence the embargo dis criminated arbitrarily between different classes of goods or traders, or that Greek good were treeted preferentially. And it was clear that the impact of the embargo on EU interests was slight. Only a tiny percentage of the total volume of EU trade was affected and it was unlikely to have any perceptible effect on the competitive-situation in the

EU. C-120/94: Commission v Greece, Opinion, April 6 1995.

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complex maze of laws that deal with Intellectual Property, Venner, Shipley & Co., a leading London firm of Chartered Patern Attorneys & Trademark Agents, has published a booklet that sets out in straightforward terms the different legal forms of protection available and the steps that need to be taken in order to secure an inventor's rights.

The booklet, which covers pateots, trademarks, designs and copyright, is available free of charge from Venner, Shipley & Co, Department F.T. 1
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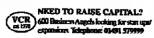
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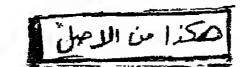
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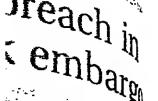
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The Joint Administrative Receivers B. Creber and P. Revill offer for sale as a going concern the business and assets of the above company which trades as office stationery and equipment suppliers.

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interested parties requiring further information should contact SCFs exclusive advisor. Price Waterhouse, at the following addresses:

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Tel.: (514) 938-5600 Fax: (514) 938-5709 Attention: Ms. Jacinthe Charbonneau

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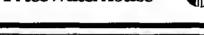
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Sales for the year to 31 March 1995 were £1.3 million and most customers are within British Rail. MEG is based at Derby, alongside many of its customers and at 31 March 1995, the business

consultancy and training centre within the UK railway industry for welding, non-destructive testing and metallurgical investigation.

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## GREEK EXPORTS S.A.

(Special Liquidator of GENIKI PROMITHEFTIKI (KATASKEVAI) **ELECTRICAL AND TELECOMMUNICATIONS MATERIALS & PLASTICS** INDUSTRY S.A. by virtue of Decision No. 3089/1993 of the Athens Court of Appeal)

GENIKI PROMITHEFTIKI (KATASKEVAI) ELECTRICAL AND TELECOMMUNICATIONS MATERIALS & PLASTICS INDUSTRY S.A. NOW UNDER SPECIAL LIQUIDATION

ANNOUNCES

a Third Public Auction for the Highest Bidder with scaled, binding offers, for the purchase teither as a whole or each of the eleven separate entities indicated below tof GENIKI PROMITHEPTIKI (KATASKEVAJ) S.A. (established in Atheus at 25 Stoumari Street) within the framework of article 46a of Law 1892/90, as supplemented by article 14 of Law 2000/9) and complemented by article 53 of Law 2004/9) and complemented by article 53 of Law 2004/9. Before information on the company and its activity

GENUL PROMITHEFTIKI (KATASKEVAI) S.A. was founded in 1974 (Govt. Gazette No. 1770.3).2.74) and was engaged in the manufacture of electrological materials of all kinds for low, medium and high voltage as well as all kinds of telecommunications and

First entity: Plot of land, buildings, environmental works, electro-mechanical installations.

Second entity: Workshop machinery.

District entity: Plates shop machinery.

First entity: Plates shop machinery.

Fifth entity: Plates department machinery.

Fifth entity: Electronic materials "A" section machinery; telephone materials and pay phone materials "T" section: electronic materials.

FF section: R & D section.

Tenth entity: Stocks (finished and semi-finished, raw and auxiliary materials, consumable materials, spare parts and packing materials).

Note: exempted from these stocks are "TADIRAN" wireless materials which can be used only by the Greek Army.

Interested parties are invited to receive from the Liquidator the Confidential Offering Memorandum and the draft Letter of Guarantoe in order to submit a scaled, binding offer to the Athens notary public assigned to the anction. Mrs. Adriani-Dimitra Economopoulou-Zafiroponiou, (Fifth Boot, 18 Vonkourestion Street, Athens, Tel. +30-1-361.8249 and Fas. +30-1.363.6978 up to 1400 hours on Wednesday, 17 May 1995.

Offers must be submitted in person or by a legally authorised representative. Offers submitted beyond the specified time limit and those not accompanied by a letter of guarantee will not be accepted or considered.

The offers will be opened before the above-mentioned octary at 1200 hours on Thursday, 18 May 1995 with the liquidator in attendance. Persons having submitted offers within the time limit are also entitled to attend.

Each interested investor can submit either one offer for all the elements of the company's assets or separate offers for the purchase of one or more entities. The offers must state electry whether they concern the total assets or separate outlies, the offered price and manner

and the creditor have the right, at their incontroverible discretion, to reject offers which contain terms and exceptions, regardless of whether they are higher than other offers.

On penalty of invalidity, offers must be accompanied by a letter of guarantee from a bank legally operating in Greece, of undefinite duration, to the amounts of eighty million drachmas (Drs. 80):00,000 if they concern the total assets. If the offer concerns separate entities, then the amounts of the letter of guarantee are as follows:

First entity: Drs. 5:000,000 (Fifty-six infillion drachmas). Second, entity: Drs. 1.100,000 (One million one hundred thousand drachmas). Third entity: Drs. 2.400,000 (Two million four hundred thousand drachmas). Figure the property of the radion of the property of the state of the property of the state of the property of the

satisfactory.

The Company's assets and all the separate fixed and circulating assets that make them up, such as immovables, movables, claims, rights, etc. whether they are to be sold as a whole or as separate entities, shall be transferred 'as is and where is' and, more specifically, in their actual and legal condition and wherever they are on the date of signature of the linal contract, regardless of whether the

urther information about the business and the sales process will be made available to appropriate enquirers subject to a confidentiality undertaking The Commercial Department This advertisement has been approved for the purposes of Section ST of the Passocial Services Act 1998 by Price Westerhouse who are financial sevience to the British Railways Board Vander Unit. Price Weterhouse is authorised by the Institute of Chertered Accountants in England and Wake to carry on Investment Business ₹ Vendor Unit tish Railways Board Price Waterhouse **Bookscene** The Joint Administrative Receivers Robert Matusiewicz and Nigel Millar offer for sale

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ANNOUNCEMENT
OF A THIRD PUBLIC AUCTION FOR THE HIGHEST BIDDER FOR THE SALE OF THE ASSETS OF

GREEK EXPORTS S.A., established in Advers at 17 Panepiethnous Street and legally represented, in its capacity as special liquidator of GENIKI PROMITHEFTINI (KATASKEVAI) S.A. to accordance with Decision No. 3089;1993 of the Alberts Court of Appeal and

The company's manufacturing installations are situated at Oinophyta in Bosotia. The factory was built on a self-owned plot of land 18,286 sq.metres in area and is installed in a three-storey building totalling 490 sq.m. in area. The company's assets for sale consist of clearer separate engines or groups of clearers of the assets which can be sold either as a whole or each separately.

First entity. Various machinery, welding section machinery, zine conting equipment that dip and spraying it.

Seventh entity: Means of transport and loading and unloading.

Eight entity: Other mechanical equipment (tools, moulds, utensils, production instruments and other electrical equipment).

North entity: Furniture and other equipment (furniture, utensils, office machines, computers, and relecommunications equipment).

These are referred to in details in the Offering Memorandum and in some C). Eleventh entity: An apartment 125.60 sq.m. in area on the first Boot of the building on the corner of 25 Stoumeri and Botassi Streets in

one or more entities. The others must gate energy we can be written as you have a some and an entire or provided in the manner of payment and b) whether the instalments shall bear interest or not, it shall be considered respectively that a) the payment shall be in each and b) the instalments shall bear interest or not, it shall be considered respectively that a) the payment shall be in each and b) the instalments shall bear interest or not, it shall be considered respectively that a) the payment shall be in each and b) the instalments shall bear interest or not, it shall be considered respectively that a) the payment shall be in each and b) the instalments shall bear interest or not, it shall be considered respectively that a) the payment shall be in each of one year's duration. Offers must not contain terms upon which their bindingness may depend or which may be vague with respect to the amount and manner of payment of the offered price or to any other escential matter concerning the sale. The highlighter and the creditor have the right, at their incontroverrible discretion, to reject offers which contain terms and exceptions, regardless of

thousand drachmas). Tenth entity, Drs. 2,000,000 (Two million drachmas). Eleventh entity, Drs. 3,500,000 (Turor million two manared thousand drachmas).

Forficience of guarantee; In the event that the party to whom the assets for sale have been adjudicated fails in his obligation to appear and sign the relative congrect within twenty days of being invited to do so by the Liquidates, and abide by the obligations contained in the present amountment, then the amount of the guarantee stated above is forfeited to the Liquidator to cover expenses of all kinds, time spent and any real or paper loss suffered by himself and by the creditors with no obligation on his part to provide evidence of such loss or consider that the amount has been forfeited as a penalty clame, and coffeet it from the guarantee bank.

Return of letters of guarantee; Letters of guarantee submitted for participation in the auction shall be returned immediately after adjudication, except for the letter of guarantee submitted for participation in the auction shall be returned immediately after adjudication, except for the letter of guarantee submitted for participation in the auction shall be returned immediately after adjudication, except for the letter of guarantee submitted for participation in the auction shall be returned immediately after adjudication, except for the letter of guarantee submitted for participation in the auction shall be returned immediately after adjudication, except for the final contract.

The highest bidder is the one whose offer was judged by the tiquidating company and deemed by the majority creditors to be the most estimate to the final contract.

in their actums and regar continuous actual familiarion and as shareholders and creditors are not liable for any legal or actual familia or any incomplete or inaccurate description of the assets for sale in the Offering Memorandum.

Interessed buyers must, on their own responsibility and due care, and by their own means and at their own expense, inspect the object of the sale and form their own judgement and declare in their bids that they are fully aware of the actual and legal condition of the

assets for sale.

The Liquidation company and the Creditors bear no responsibility or obligation inwards participants in the anction, both with regard to the evaluation of the bids, the selection of the highest bidder, the decision, if any, to cancel or repeat the anction and any orther decision in general regarding the procedure and execution of the anction. The submission of a binding offer does not imply any right in the adjudication of the sale and, in general, participants do not acquire any right, claim or demand from the present amounteement and from participation in the auction, against the liquidating company or the creditors for any cause or reason.

[All costs and expenses of every nature for participation in the anction and for the transfer of ownership, as well as all taxes, duties, dues, state fees or third party lees that may be imposed (beyond the exemptions foresees by law) relating to participation in the auction and to the sale contract, anything following the sale, transcriptions and any other acts, are borne exclusively and alone by the interested buyers and the highest hidder respectively.

Participation in the auction implies accordance by the presence have of all the above of the action implies accordance by the presence and the sale above.

14) Participation in the auction implies acceptance by the prospective buyer of all the above terms of the present announcement.

15) The present announcement has been drafted in Greek and in English in translation. In any event, the Greek text shall prevail. or any further information and for the Confidential Offering Memorandum, interested parties may apply to:

a) GREEK EXPORTS S.A. 17 Page pistimion Street (1st floor), Athens, Greece. Tef. 430-1-324-3711 - 115 Fax: 430-1-323,9185 in to the company's new address at Vasalleos Constantinon and 1 Eruiosthenous Streets, Athens.
 b) ETBA S.A. (Holdings Dept.) 87 Syngron Ave. (4th Floor) Athens, Greece, Tel. 430-1-959-4611 and 929-4613

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genetic disease - and the prospect of curing it hy switching genes on or off is causing more excitement in the world's medical laboratories than any other avenue of cancer research.

Four to six independent genetic

changes are necessary to produce a typical tumour, says Karol Sikora, professor of clinical oncology at the Hammersmith Hospital, London. The total number of genes directly implicated in human cancer is more than 50, with hundreds more still to he discovered. So researchers have a vast choice of ways to different ways

to intervene in the process.

Several dozen clinical trials of genetic treatment for cancer are under way in the US, Europe and Japan, although all are at least two years from commercialisation. Within the great variety of approaches, three broad categories are particularly important:

Blocking "oncogenes", the natumutations cause runaway cell growth. Several different types of molecule are used to interfere with these genes and switch them off. The most common oncogene, called ras, is implicated in about half of all

• Restoring the function of "tumour suppressor genes", which normally perform the opposite function to oncogenes and stop the excessive proliferation of cells. This can be done either by introducing new tumour suppressor genes through gene therapy or by re-activating defective copies in the body. The best known such gene is p53 mutations in p53 also occur in about half of all malignancies.

 Using gene therapy to add genes that are not involved directly in cancer suppression but which produce



A 'zinc-finger' molecule, designed by the MRC Laboratory of Molecular Biology, Cambridge, binds to a leuka

proteins that help to destroy tumour cells. Examples include immune stimulants (see article right) and

cell-killing toxins. In a field of research that is so young and so richly varied, it is too soon yet to draw any conclusions about which approaches will work

Conventional pharmaceutical researchers still regard gene therapy as an unproven and undesirably complicated procedure, requiring not only cloned copies of the appropriate gene but also a vector - a virus, microscopic fat particle or even a "gene gun" firing tiny DNA-coated gold halls - to carry it into the

appropriate cells. Other components may be needed too, to switch the gene on or off after it reaches the

view, a better bet is to use small molecules, similar to today's drugs, to interfere with cancer genes.

An example of a research programme along these lines is Progene, a partnership between Proteus, a UK drug design company, and Genelabs, a Californian genetics company. It is developing molecules that bind directly to the control region of oncogenes and switch them

The favourite target for researchers seeking drugs to switch off can-cer genes is ras. Just about every pharmacentical company has its own ras inhibitor programme or is thinking of starting one," says Said Sebti, a ras researcher at the Univer-

sity of Pittsburgh.

Allen Oliff, bead of oncology at
Merck of the US, told last month's
meeting of the American Association for Cancer Research that its experimental ras inhibitors could begin clinical trials within 12 to 18 months. "These really are the first drugs: signed to block the action of a single specific cancer gene," he

says. However, the gene therapy camp points out that some of its proce-dures are already beginning to give encouraging results in patients. The most advanced approaches are those that use the new genes to produce high concentrations of anti-cancer proteins inside tumours, either directly or in conjunction with

another drug. For instance, two separate partnerships - Rhone-Poulenc Rorer with Genopoletic of France, and Sandoz with Gene Therapy Inc of the US uses a virus to deliver a gene for an enzyme called TK to brain tumours; the patient is then treated with ganciclovir, an antiviral drug, which kills the cancer cells when it comes into contact with the TK.

The first trial of gene therapy with the tumour suppressor gene p53 began in February, through a Rhône-Poulenc Rorer partnership with

Introgen Therapeutics of the US.
"Our preclinical work in animals has shown that when normal p53 genes are put back into cancer cells, the growth of cancer cells is suppressed," says Jack Roth of the University of Texas, who is carrying out the tests on lung cancer

According to Frost & Sullivan, the international market research company, the first gene therapy treatments will be approved for sale in 1997, for brain tumours. The gene therapy market will then grow very fast, with world revenues of \$1.3bn (£800m) from cancer treatments as

# Immunology investigation

o treat cancer with the immune system is a daunting challenge for any medical

Not only are there many causes of cancer, few treatments and even fewer cures, but the immune response involves some of the most complicated and poorly understood biochemical processes in the body. Yet there is no doubt that the link

between the immune system and

cancer is important. Only last week came a striking advance. The medical journal The Lancet gave details of a cancer vaccination used successfully to treat a woman suffering from malignant myeloma, a blood cancer. Doctors at the National Cancer

Institute in Bethesda, Maryland, used the woman's own malignant cells to induce an immune reaction in her brother, and then transferred this immunity to her through an infusion of his bone marrow.
Other scientists are working on

an even more ambitious proposition that the immune response could be stimulated directly to attack

Glenn Dranoff, of the Dana Farber Cancer Institute in Boston, Massachusetts, is trying to genetically engineer tumour cells to produce a hormone that attracts the

attention of the immune system. This approach holds out the hope that one day the body's own defences could be mobilised against cancer, eliminating the need for .. . surgery, powerful drugs or intense radiation. But Dranoff admits that opinion is divided: "Some believe that the immune system might not actually be able to respond on its own and that bone marrow

transplantation may be better." Or neither might work. It would not be the first disappointment in

cancer immunotherapy. In the 1970s interferons were halled as a great new cancer treatment. They are materials produced by cells in response to infection by a virus, which appear to interact with the immune system. In laboratory experiments, they showed spectacular success in controlling tumours.

But in people, the effect was: limited to a handful of rare cancers. And interferons turned out to be so toxic that their use is limited.

Then, during the 1980s, the components of the immune response egan to be understood in more detail. In particular, there is a cascade of chemicals that triggers

the production of blood cells, such as white blood cells and natural killer cells, which attack invaders and could be harnessed to fight

iew.

In addition, these components could help shore up the immune system against damage by conventional drug and radiation treatments, which leave many

patients vulnerable to infections One of these products has made it big in commercial terms, Amgen's Neupogen, which stimulates the production of white blood cells. It is used increasingly in conjunction with conventional treatments, although patients must still be given powerful antibiotics to try to protect them against infection.

The other parts of the immune response have yet to show the same level of promise.
Many drug companies are

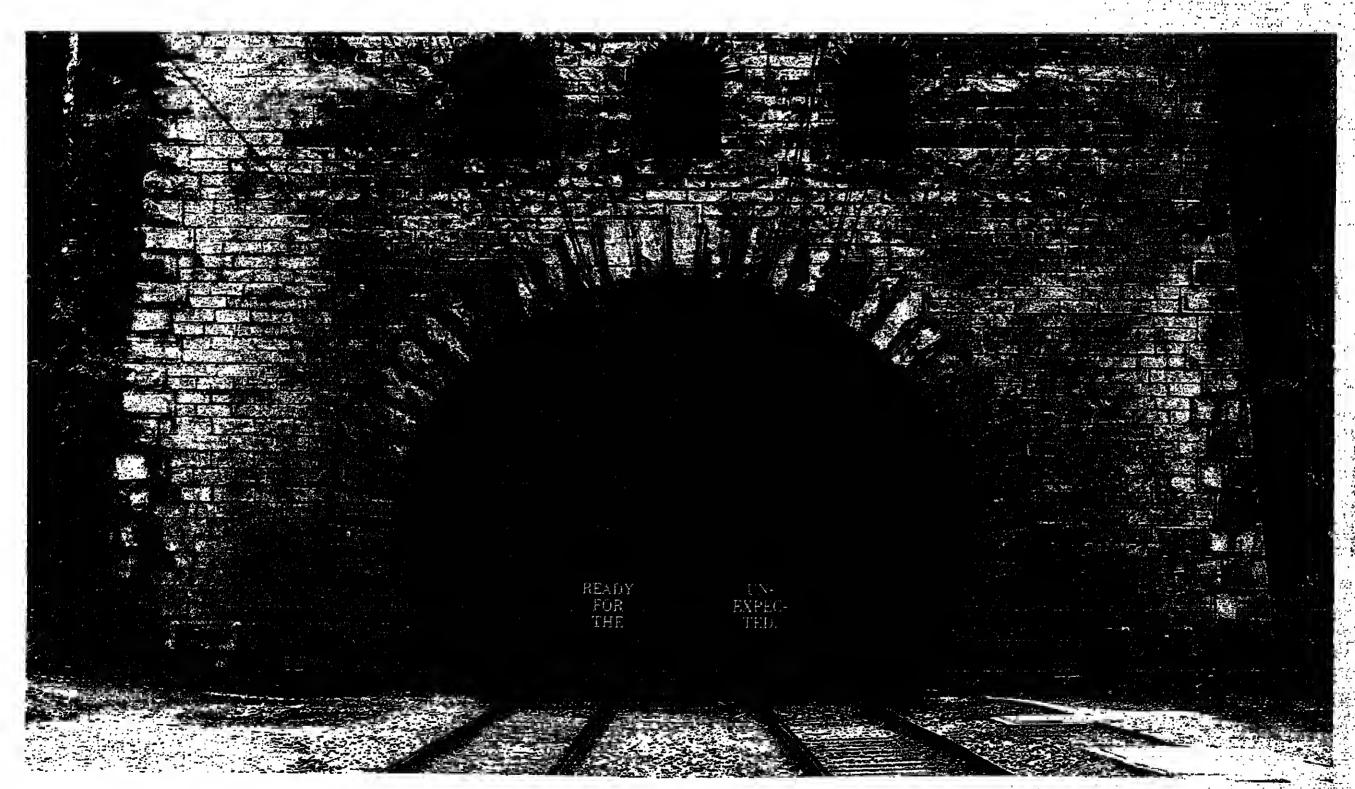
concentrating their efforts on one group of related materials in the blood cell creation process, the interleukins, But Paul Herrling, director of research at Sandoz, the Swiss pharmaceutical company, admits that knowledge of their role in the immune system remains

"There are perhaps 11 interleukins discovered so far. We don't know whether this is all of them, whether they can be used

Sandoz has been working on one called IL3, but progress is slow. "It gives no clear benefit when used on its own. But in combination with GM-CSF (another material that stimulates the growth of blood cells] it does have some effect provided the GM-CSF is administered a few hours before the IL-3. When the two are given together there is no

significant effect." Immune therapies continue to hold out the hope of the perfect treatment, in which the natural defences of the body can be trained to fight cancer. But researchers have not even mastered the means to help the immune system through the rigours of conventional therapies. It is likely to be many serious attack by the immune system as part of a standard treatment programme.

The monthly series on pharmaceutical research will resume in May with a look at the latest ulcer



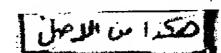
Economic liberalisation carries obvious rewards. And less obvious risks. Unfamiliar freight problems may be the least of your headaches. Import regu-

lations can be more trying they're frequently just one of the tools for discouraging foreign competitors. You may have had some funny experiences. And

some that are not particularly funny. There's one area, at least. that you shouldn't have to worry about - risk and insurance problems. As a leading multilocal

insurance group with a longestablished local presence in over fifty countries we can put your mind at case, because we're familiar with these countries' political, legal, economic and technical norms, as well as customs and traditions. Above all, we are experts in large-scale multinational risk management solutions.

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# gation. Craftsmen's view of nature

William Packer reviews the Craft Council's current exhibition of mainly contemporary work

t has always been in the fields of craft and design that art has entered most directly into daily life - art, if you like, at its most natural. The point is a nice one, full of irony and contradiction. We have only to look into Punch of the 1880s to register the mockery heaped upon the Arts & Crafts Movement and Aestheticism in general - "greenery-yallery, Gros-venor Gallery" and all that -but the point is that for all the artiness, they were still highly fashionable, and a great business such as Liberty's was founded on their success.

So it has gone on, and the contemporary crafts are still mocked and misunderstood. ambiguous in their relation to art as such, yet eminently successful. Wa still smile when we think of all those beards and sandals, those vegetarian principles and earnest mugs of cocoa after firing the kiln, yet the return that the community the return that the community of artist-craftsmen now makes to the economy, across all the disciplines of the fine crafts from furniture-making to basket-weaving, is entirely disproportionate to its size and a wonder of the age. It is this sector of thriving small business that the Crafts Council has been encouraging now for more than 20 years.

An overview of such activity is always welcome, especially one that brings out its essential historical continuity. While not able to go back quite to the 1890s in terms of direct experience, the council can certainly claim direct contact with several notable Victorian and Edwardian survivors into its own period. Of these represented in this current exhibi-tion, Bernard Leach is the most obvious, but there are many others - ceramists such as Susie Cooper, Keith Murray, Michael Cardew, Millicent Taplin and Katherine Pleydell-Bouverie, artist-designers like

But in taking "The Influence of Nature" as its sub-title and central premise. Out of This World first goes back to the true Victorians, to Voysey, Asbbee, Mackmurdo and, of course, the great apologist of the crafts as art, William Mor-ris. "Order". he said, "invents beautiful and natural forms. which, appealing to a reasonable and imaginative person, will remind him not only of the part of nature which...they represent, but also of much that lies beyond that part." "A literal transcript will not result in good ornament" said Voysey: "before a living plant a man must go through an elaborate process of selection and analysis (by which be becomes) an inventor . . . and can live and work in the pres-

ent with laws revealing always

fresh possibilities".

here is little to add to that, and as an excuse for bringing any number of lovely and surprising things together it is entirely admirable. But as so often is the case, what seems admirable in the proposal is more questionable and even irritating and disappointing in the event. Here the presentation is unchronological, which at once throws over the chance of following any thread of development through the show, the inevitable shift and change of interest, sensibility and practice that yet oddly remain the same. Instead the arrangement is variously thematic under such headings as Harmony and Rhythm, Myth and Symbol, Abstraction, Mediation, Ecology and so forth. Which is all very well, but with the weight of the selec-

tion beavily upon bving mak-

Edward Bawden and Duncan Grant, textile-designers and weavers like E.Q. Nicholson, Theo Moorman and Marianne Straub.

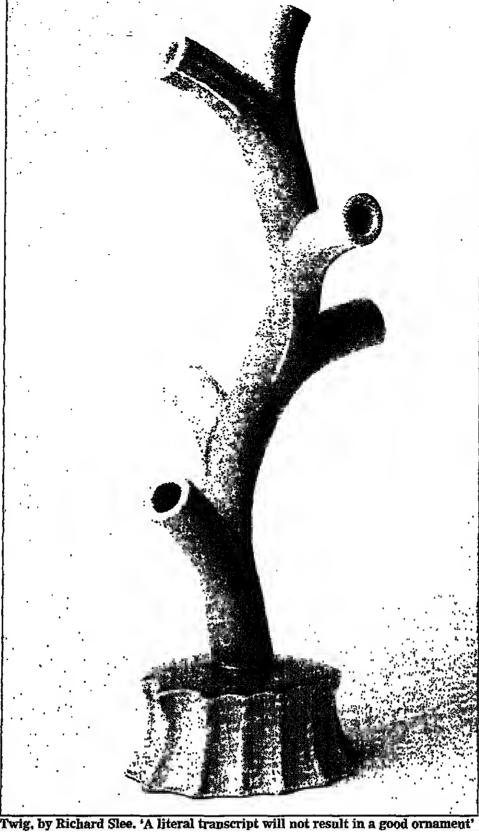
But in the designers and upon their recent work at that – for dates on the labels are given only to the dead – we have little idea as we go round how long in the tooth they are, or how wet behind the ears. And we can see all too well where it is leading, as the simple conjunction of working drawing and final piece in the display of the older work gives way to cabinets of source material, the

commonplace of every artist's studio in the land – all those pebbles, twigs, toys, trophies.

The point that the work of artists and craftsmen does not spring fully formed from their spring fully-formed from their brows, but is born rather of life and experience of the natural world, is well made, but why then do I find it so annoying Is it because it is so obvious it should not need the making? Is it because my own shelves and drawers are stuffed with sucb

Then there are the arch and posturing statements of the young to take on board. "Macrocosm and microcosm; the earth from space, the shape of the cell," says Julie Wood. "I attempt to evoke the atmospheres of the joys and shadows encircling buman relationships," says Rachael Mellors. "Working in a sausage factory made me realise that I quite liked pigs, and that it's rude to eat your friends," says Andy Hazell. No. The answer is to forget the width and feel, or rather see and relish, the quality of the things themselves, from the Victorian silver rosebowl of Gilbert Marks or Ernest Gimson's Edwardian brass sconces, to the exquisitely shimmying, shimmering pewter vases of Toby Russell. made the day before yesterday.

Out of this World: the Influence of Nature in Craft & Design 1880-1995; Crafts Council Gallery, 44a Pentonville Road, N1 until June 18, then on to Man-



Theatre/Sarah Hemming

# Rattigan's 'Flare Path'

Terence Rattigan's Flare Path ought to be dreadful. This RAF men and their wives is fairly slow and shamelessly manipuletive. The characterisation is not on a

par with The Winslow Boy or The Browning Version indeed, it is full of stereotypes: the chipper airmen, the chirpy cockney, the minor Hollywood actor and the tortured wife, torn between two lovers. And yet, revived at Bristol Old Vic for the 50th anniversary of VE Day, it is totally compelling.

Well, for one, it was written in 1940 when Rattigan himself was on active service with the RAF, and is shot through with an authenticity and compassion that make it irresistible. It whisks you into the world of the small hotel near the aerodrome where the action takes place and you are held captive (though goodness knows how the original 1942 aodience coped with the sweaty palmed chimax at which the bombers take off,

one by one). Secondly, of course, it offers a prime example of the famous Rattigan "well-made play". Structure and narrative combine to carry you along and you soon surrender though in places it is so well-fashioned that to a modern audience it seems predictable, and Rattigan ladles on the dramatic irony as if it were going out of fashion.

Thirdly, and most importantly, the play presents a real attempt to use this rather conventional form to talk about nebulous and difficult emotions and to seize a mood in the nation and a moment of change. Its characters are not so mncb simply patriotic, as staunchly

Rattigan offers a tooching portrait of ordinary people doing their bit and making light of it: the rear gunner Rider), his pragmatic little

wife (Helen Sheals), the brash but brave Doris (a nice performance from Amanda Harris), even the brusque botelier (an enjoyably tart Virginia Stride).

All are played with warmth and vitality in Andrew Hay's production, flushing out the characters so we peep into their worlds and see their own battle fronts.

Bnt Rattigan does not just give you the heroic stiff upper lip, he also offers a brief glimpse of paralysing fear. At the romantic heart of the play is a love triangle: will Patricia, the wife of the flight lieutenant, Teddy, run eway with her former lover, the movie actor who has sought her ont? She looks set to go, until, after a tough raid, her husband breaks down before her to confess his fear of

ber decision, but sbe stays, not out of pity or duty, but because she realises that the war has changed their lives utterly and they have shifted to a different dimension. While remaining ambivalent about the wisdom of ber decisioo, Rattigan shows us its inevitability. So be shows how private and public worlds meet; he also portrays a rite of passage that must have happened to many.

Guy Lankester and Nicky Henson are nicely contrasted as the puppyish Teddy and the urbane Peter, while Barbara Wilshere bas a graceful dignity as Patricia. Hay's production fails to bring off the moment of shock when one plane crashes, but otherwise is warm and sensitive, and, on Mick Bearwish's set, which is adroitly constructed to contrast the comfort of the hotel with the terror of the skies, brings the characters to life so well that you are sorry to take your leave of

Continues to May 13 at Bristol Old Vic (0117-987-7877).

# Music in London/David Murray

# 'British Music Now' with Oliver Knussen

"Oliver Knussen's British Music Now", also entitled (in larger-print) "Talking music". What was all that? At first glance, it seemed to. The modest audiences these be a BBC showcase for Ollie's own music and that of four other young and middle aged composers he happens to like -Robin Holloway (b. 1943), Colin - the contemporary-music pub-Matthews - (b. 1946), Mark-Anlishers, the specialist performthony Turnage (b. 1960) and Julian Anderson (b. 1967): at 42, Ollie comes in the middle with the extra feature of students. onstage interviews with them all. The "interviews" proved to be numbingly desultory, unfocussed, in group chat which merely postponed the second

t the weekend the

BBC Symphony, with the Nash Ensemble,

offered three Barbican

with open rehearsals earlier, of

half of each long concert for 20 minntes; the promise of "Talking music" had acant warrant, if the new, anxiously populist Radio 3 wants to humanise" modern composers

for us, this seemed not to be the way to do it. Part of the reason why it misfired however, lay deeper.

with early pieces by composers concerts drew to the Barbican whose mature works are barely were not eager innocents thirsty for bumanised introknown outside the special ductions, but the professionals

ers, the critics, and beside which included Knussen's rich, them a few regular aficionados and some open-eared music For whatever reasons, none of these composers - not even Knussen, though be has the children's-opera Where the Wild Things Are to his name has yat saized or even just tantalised the ears of a wider public as, say, the young Maxwell Davies and Birtwistle almost 14.

At second glance, this Barbican series looked stranger still. For it proved to he beavily retrospective, laden

did, let alone Britten and

Tippett.

contemporary-music coterie: was that a sensible formula for a big, expensive project? In fact the Sunday concert Harvey, Robert Saxton and indeed Matthews in his orchestral Fourth Sonata bere

larky Wild Things (1983) attracted much the largest audience; but both the Holloway pieces on Friday bis formative, harmonically queasy "after Schumann" period - were more than 20 years old, like the main Mattbaws exhibits on Saturday, and even Turnage's glittering Night Dances were Young Anderson, when

interviewed, strove manfully to look back from a mature distance at his Parades -Pavillons en l'air, composed all of four years ago. I have not

but lovely. vet: that orchestral diptych struck me as a dark-into-light exercise of a kind (warm diatonic glow at the end, dominant nintbs for preference) that Jonathan

bava exploited more vigorously, and Anderson's chamber pieces were nicely turned but slight. Besides Wild Things, which still sounds wonderfully rumbustious and tender but betrays a beavier debt than we first realised to its candid models in Ravel and Knussen conducted the BBC Symphony

Stravinsky, in everything with unfailing sympathy and precision. The most rewarding performances

nevertheless by the Nash players and various singers in smaller pieces: in the case of Turnage's recent Three Farewells and Knussen's 1978 Triptych, really too frail and introspective for the Barbican (and too soporifically similar when programmed together).

Better suited to the ball, and wielding much more direct impact, were two works from the early 1980s - Turnage's pungent Lament for a Hanging Man, where Fiona Rimm was tbe fervent mezzo, and Mattbews's lean, crisply argued Oboe Quartet (with Garetb Hulsa), where one hears a composer's voice suddenly and decisively

finding its own accents. In sum, Ollie's British Music, though not the "Talking music" part, was mostly a treat for us fans; bot there are not very many of us, because even "classical" contemporary music has fragmented into too many distinct strands beyond the academically-approved (Cambridge looms large), BBC-favoured one. There is something embarrassing about

# Yakov Kreizberg and the **Bournemouth Symphony**

rom next September and the score came up reward-the Bournemonth Symingly fresh. So, indeed, did Le phony - still celebrating its centenary: bow protracted these anniversaries have become! - will have the young Russian Yakov Kreizberg as its new principal conductor. On Thursday it brought him to London to show him off in advance, or perhaps it was the other way round: by the second half of its programme the orcbestra sounded very good indeed.

It was perhaps a piece of bravado to play Debussy's gentle, tremulous Prelude to "L'Aprèsmidi d'un faune" immediately before bursting into Stravinsky's Sacre du printemps, but it was brought off with éclat. Though Kreizberg treated the Prelude with scrupulous delicacy (the different layers of string-wasbea and whispers were all transparent) he kept its shape taut; the important solo flutes, oboe and violin made stylisb contributions,

Sacre.

For that towering piece Bournemouth had drawn upon both of its bands. Technically and otherwise, the result was impressive and exciting. Perhaps by dint of assiduous rehearsals, Kreizberg secured a notable rapport with the orchestra: on matters like the exact length of breath-pauses. and instant knife-edge attacks when there were none, everybody was alert and unanimous.

In the ouicker sections Kreizberg was urgent beyond the norm. Sometimes that lost the hieratic quality which Boulez, for example, insists upon to such effect; but it also kept tha music pressing vitally forward - usually dancing forward, in fact, for Kreizberg's snapping rbythms were instinctively of the dance. He made much also of the tough folk-ishness of the songs and chants that were Stravinsky's original material

performance; not here, and yet the music was articulated with intelligence and stirring force.

The first balf of the pro-gramme made less of an impression, because Krenek's dramatic monologue Medea is musically little more than jagged rhetoric (Daphne Evangelatos sang it with tireless passion, not much varied), and in Beethoven's "Emperor" Concerto Kreizberg and his pianist John Lill found little rapport. Lill was grandly Beethovenlan and amazingly loud: even in pianissimo be could blot out eight woodwinds, and with one fortissimo double trill he drove the whole orchestra back into the faint middle distance. Kreizberg found some moments of thoughtful grace, but the performance remained uneasy - discombobulated. I thought.

D.M.

# INTERNATIONAL **ARTS**

# BALTIMORE

CONCERTS Symphony Hall Tel: (410) 783 8000

Baltimore Symphony Orchestra: with gulfarist Manuel Barrueco. James Paul conducts a programme that includes Vivaldi, Puccini and Respighi; 8.15pm; Apr 28, 29, 30 OPERA/BALLET Lyric Opera House Tel: (410) 727

 Manon Lescaut: by Puccini. A Baltimore Opera presentation conducted by Joseph Rescigno and directed by James de Blaisls. Soloists include Barbara Daniels, Bizabeth Byrne and Patryk Wrobiewski; 8.15pm; Apr 28 (7.30pm), 28, 29, 30 (3pm)

# ■ BERLIN

CONCERTS Deutsche Oper Tel: (030) 34384-01 Gala Concert: with Lucia Aliberti, Alfredo Kraus and the choir and orchestra of the Deutsche Oper Berlin, Marcello Viotti conducts a variety of operatic pieces;

#### 7.30pm; Apr 25 **OPERA/BALLET**

Deutsche Oper Tel: (030) 34384-01 ● Lohengrin: by Wagner. Conducted by Hollreiser/Thielemann, produced by Götz Frederich; 6pm; The Masked Ball: by Verdi.

Conducted by Rafael Frühbeck da Burgos/Sebastian Lang-Lessing, produced by Götz Friedrich; 7.30pm; Apr 26

#### **■ BRUSSELS** CONCERTS

Beaux-Arts Tel: (02) 507 82 11 Belgian National Orchestra: with the Brussels Choral Society led by Tom Cunningham and mezzo-soprano Penelope Walker Yuri Siminov conducts Elgar's "The Dream of Gerontius"; 8pm; Apr 29

## ■ FRANKFURT

CONCERTS Alta Oper Tel: (069) 1340 400 Evening of Songs: with soprano Margaret Price and planist Thomas Dewey in a programme that includes Wolf and Strauss; 8pm; Apr 26 Radio Symphony Orchestra Frankfurt: Andrew Litton conducts Elgar, Walton and Britten/Dowland; 8pm; Apr 27, 28 Viennese Mozart Academy: with clarinetist Peter Schmidl. Yehudi Menuhin conducts Part and Mozart,

# LONDON

8pm; Apr 25

CONCERTS Barbican Tel: (0171) 638 8891 English Chamber Orchestra: with soprano Barbara Hendricks, Hubert

Soudant conducts Pergolesi's "Stabat Mater" and Fauré'a Requiem"; 8pm; Apr 27 Grand Classical Gala: Martin

Meny conducts tha National Symphony Orchestra in a programme that includes Verdi, Orff, rauss and Ravel; 7.30pm; Apr 30 Puccini Gala Night Paul Wynne Griffiths conducts the London Concert Orchestra with sopranos Christine Teare and Clare Rutter, and tenors Adrian Martin and Julian Gavin for an evening of Puccini highlights; 8pm; Apr 29 Queen Elizabeth Hall Tal: (0171)

928 8800 Orff and Poulenc: Ian Humphris conducts the National Westminster Choir and the Westminster Philharmonic Orchestra to play Orffa "Carmina Burana" and Poulenc's "Gloria"; 7.45pm; Apr 26 Royal Festival Hall Tel: (0171) 928

8800 Finnish Radio Symphony Orchestra: with pianist Alexel Lubimov. Jukka-Pekka Seraste conducts Sibelius, Bartók and Tchaikovsky, 7.30pm; Apr 25 The London Philharmonic: Franz Waleer-Müst conducts Pärt, Sibelius, Martin and Shostakovich; 7.30pm;

 The Michael Nyman Orchestra: with herosichordist Elizabeth Chojnacka and mezzo-soprano Hilary Summers. World premiere of the orchestra brought together especially for the Nyman series and includes the premiere performance of "Carrington"; 8pm; Apr 29 GALLERIES

Serpentine Tel: (0171) 402 0343 Take Me (I'm Yours): a unique opportunity to touch, use, test, buy take away the objects in this

exhibition that has been selected by Swiss curator Hans Ulrich Obrist; to

OPERA/BALLET English National Opera Tel: (0171) 632 8300

 Don Glovanni: a new production of Mozart's opera. House debuts for director Guy Joosten and conductor Markus Stenz: 7pm; Apr 27, 29 Royal Albert Hall Tel: (0171) 589

 The Masked Ball: by Verdi. Conducted by Edward Downes, directed by Patrick Young and with soloists Deborah Voight, Lillian Watson and Luciano Pavarotti; 7.30pm; May 1 Royal Opera House Tel: (0171) 304

 Mixed Programma: a Royal Ballet production that includes e new production of the Frederick Ashton choreographed "Rhapsody" and tha world premiere of "New Forsythe Ballet", choreographed by William

Forsythe to the music of Willems; 7.30pm; Apr 27, 29 (7pm)

The Masked Ball: by Verdl. Conducted by Edward Downes, directed by Patrick Young and with soloists Deborah Voight, Lillian Watson and Luciano Pavarotti;

7.30pm; Apr 28 The Yeoman of the Guard: by Gilbert and Sullivan, A Welsh National Opera production conducted by Charles Mackerras; 7.30pm; Apr 25

## ■ MADRID

**GALLERIES** Prado Tel: (91) 420 28 36 Sebastiano Del Piombo: Venetian Renaissance. This exhibition explores his influence on Spanish painting during the 16th and 17th centuries; to Aor 30

#### MUNICH GALLERIES

Bayerische Staatsgemälde sammlungen Tel: (089) 23 80 50 Hanri de Toulouse-Lautrec: posters; to Apr 30 Haus der Kunst

 Deutschie Romantic: previously on show in London, this exhibition has created much discussion in Germany. It examines tha work of early German Romantic painters and their cultural and political impact on successive generations of German artists; to May 1

#### ■ NEW YORK CONCERTS

Alice Tully Hall Tel: (212) 875 5050 New World Symphony: Michael Tilson Thomas conducts ives, Dahl, Bach and Copland; 8pm; Apr 29 Avery Fisher Tel: (212) 875 5030 American Symphony Orchestra: with conductor Leon Botstein, tenor Thomas Young, barttone Wil Sharp and the New York City Gay Men's Chorus in a programme celebrating tha 50th anniversary of the founding of the United Nations; 3pm; Apr 30

 New World Symphony: Michael Tilson Thomas conducts Mahler and his own "Diary of Anne Frank"; 8pm; Apr 28 Carnegie Hall Tel: (212) 247 7800

 Boston Symphony Orchestra: with soprano Sylvia McNair. Selji Ozawa conducts Ravel, Schoenberg and Berlioz; 8pm; Apr 28

GALLERIES Museum of Modern Art Tel: (212) 708 9480 Kandinsky: Compositions:

exhibition featuring approximately 40

works including seven of the surviving "Composition" paintings; to

#### **Apr 25**

**CONCERTS** Châtelet Tel: (1) 40 28 28 40 Daniel Barenboim: pianist and conductor with the archestra of the Deutsche Oper Berlin in a programme that includes Beethoven: 8pm; Apr 26, 28

Musée d'Orsay Tel: (1) 45 49 11 11 James McNeill Whistier: exhibition of works; to Apr 30 OPERA/BALLET Opéra National de Paris, Bastille

Tel: (1) 47 42 57 50 Iphigénie en Tauride: by Gluck.
Conducted by Graeme Jenkins, produced by Achim Freyer, 7.30pm; Apr 27

## ■ WASHINGTON

Kennedy Center Tel: (202) 467 4600 Murray Perahla: planist plays Handel, Schumann and Chopin;

CONCERTS

7pm: Apr 26 National Symphony Orchestra: with conductor/violinist Iona Brown plays Mozart, Bach, Barber and Handel; 8.30pm; Apr 25 (7pm) National Symphony Orchestra: with pianist Tzimon Barto. Zdenek Macal conducts Ott, Grieg and Brahms; 8.30pm; Apr 27, 28, 29

#### WORLD SERVICE BBC for Europe can be received in western Europe on Medium Wave 648 kHZ (463m)

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Toniaht

ne of UK television's longest-running soap operas, the attempt to launch a fifth national channel television, comes to a bead next week when hids go in - for the second time - for the right to run the channel.

The availability of frequencies for an extra television channel was first spotted in 1985 hy the Peacock Committee, the inquiry into the financing of the BBC.

But it was only after the 1990 Broadcasting Act that the Inde-pendent Television Commission invited hids to run the new channel. The ITC rejected the only bid for the channel -£1,000 a year - from a consortium led by Thames Television, largely because potential inves-tors such as the US media giant Time Warner were judged to be insufficiently committed to the project.

But a week today, a second round of bidding will be com-pleted for the right to run what is probably the last conventional television channel in a major market in Europe. Four and possibly five consortia will line up with multi-million pound bids for the licence.

The irony is that there should now be such interest in spending about £200m on creating such a channel when the competitive conditions have 1992, not less. On offer is a channel that

will be able to reach only about 70 per cent of the UK population. The danger of interfering with the signals of continental European hroadcasters means that the gaps in coverage include large areas south of London, home to many of the most prosperous people advertisers hope to reacb. in some parts of the country, viewers will have to he persuaded to huy a new aerial to receive the channel.

The channel comes complete with large beadaches and unusual costs. The frequencies that will be available to Channel 5 are at present used by millions of video recorder owners. The lucky winner will videos at a cost likely to be between £50m and £70m.

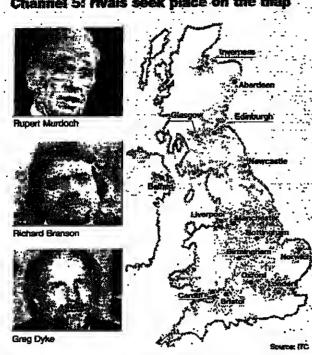
One certainty is that the ITC, fearful of baving its switchboard jammed by angry video viewers suffering interference from the Channel 5 signal, will exclude any bidder not setting out a foolproof plan for retuning video recorders.

If this burdle is overcome, the Channel 5 operator will have to carve out an audience and a stream of advertising

# Cliffhanger in licence saga

Channel 5 bidders are lining up for big headaches and bigger costs, says Raymond Snoddy

Channel 5: rivals seek place on the map



revenue in the face of strong competition from the existing broadcasters. These include ITV, which spends about £700m a year on its programmes. Channel 4 and the growing number of cable and satellite channels which could multiply into several hundred during the 10 years the licence will be awarded for.

The main prize tempting bidders is that they could put together a programme schedule sufficiently attractive to win a respectable audience in the 15m or so homes that ought to be able to receive the channel. Cahle and satellite channels, by comparlson, reach less than a third of that total in the UK.

With revenue to the first year unlikely to reach more than £75m to £100m, winning a substantial audience will be a challenge. The task will be made no easier by the requirement to include 40 per cent of originally produced or commissioned programmes at the outset, rising to 65 per cent over

**CATHAY PACIFIC** 

six years. Bidders are expected to spend between £80m and £120m a year on programmes, so bids are unlikely to be more

The emerging, and increas-

ingly controversial, favourite to take the licence is the consortium led hy BSkyB, the satellite hroadcasting operation of which Mr Rupert Murdoch's News Corporation owns 40 per cent (and in which Pearson, owner of the Financial Times, has a stake). It includes Granada, the leisure and broadcasting group, TCI of Denver, the US cable company, Kinnevik, the Swedish conglomerate, Goldman Sachs, the interna-tional bank, and PolyGram, the music and film division of Philips. A combination of BSkyB's extensive sports rights and options to sbow Hollywood movies on terrestrial television and Granada'a programme library could help to fund a very powerful bid.

Under existing broadcasting legislation, BSkyB has the right to hold 20 per cent of a

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Asia and also on to 14 cities in China with our sister airline Dragonair. Cathay Pacific.

Channel 5 licence. However, a move by the satellite broad-caster into terrestrial televi-sion would be likely to stir up opposition in parliament – par-ticularly from Labour in view of Mr Murdoch's newspaper

interests.
Of the four other bids expected, the runner-up is most likely to be the consortium which includes Pearson and MAI, the hroadcasting and financial services group that owns two ITV franchises -Meridian and Anglia Television. Pearson has just appointed Mr Greg Dyke, who was crucial in retaining the London Weekend Television franchise, as head of its television operations. It has also recently acquired Grundy Worldwide, which makes soaps such as Neighbours.

r Richard Branson's Virgin Group has put together a consor tium that includes HTV, the ITV company, Associated Newspapers, which publishes the Daily Mail, Philips, the consumer electronics company and Electra, the venture capital group. In previous hidding for ITV franchises, Mr Branson failed to get over the quality thresholds set by the ITC. But this time, the bid is being put together by Mr Jeremy Fox. who was involved in the last auction for ITV franchises that successfully surmounted the quality threshhold in spite of being outbid in the end.

The fourth hidder expected is

a consortium put together by the Mirror Group, publishers of the Daily Mirror, and NBC, the US network company. Although the Mirror has left the final decision to hid to a board meeting tomorrow, a hid

is thought likely. CanWest, the Canadianbased international hroadcaster, insists that It will be a fifth bidder. However, It has had difficulty attracting part-ners, and is thought likely to seek memhership of another consortium.

The outcome is impossible to predict with certainty because the licence, in most circumstances, will go to the highest bidder after a quality threshold bas heen met. The ITC has promised to try to give its verdict by the end of January so that the channel could he on air by autumn next year.

If BSkyB's bid should turn

out to be the highest, the Channel 5 soap will present the ITC with a cliffhanger as it decides whether it can afford the political storm if the franchise goes to Mr Murdoch.

W. Swier Gen

# Europa: Michael Stürmer

# Germany's defence role



a dangerous place.

purpose for Germany this time is not to make war but to safeguard peace, or at least to make sure that the new barbarians are kept at a distance. This is a painful process for post-war Germans, who had reserved for themselves the role of shopkeepers rather than heroes. As a result of the exigencies arising from the end of the cold war, this role now needs to be

the 19th cen-

theorist, strat-

modified. In the past 40 years, the Germans could plausibly say that their stance of military restraint was based on the lessons of history. As a by-product, this policy enabled them to take the moral high ground in comparison with other nations held to be either less gentlemanly or more bellicose. With the establishment in the 1960s of the armed forces, the Bundeswehr, defence had been organised to deter war, hot war was beld hy many Germans to be unthinkable. The underly-ing motive for the creation of

Bundeswehr was to bring Germany back into the "club" of western nations and, as a result, to make European defence feasible.

The new age of disorder has now, however, made war possible again. As a result, the eswehr has acquired an importance far greater than the subsidiary role it held in previous decades.

In 1990, the popping of champagne corks to celebrate the end of the division of Europe was disturbed by the firing of missiles and machine guns far way in the Gulf. Meanwhile. with the eruptions on the eastern flank of the European Germans that the world is still

Whither the Bundeswehr? In 1989-90, when reunification turned from an East German dream into European reality. most Germans wished their country would become a happy hlend of Sweden and Switzerland. German politicians hoped they still had a decade or so quietly to search their souls about the future direction of Germany's foreign and secu-

rity policies. While Germany sent cheques to allies more directly involved in the Gulf

war, the consti Since war is now tutional court more likely than it favour of easily was asked to pronounce was when Europe was divided, whether the 1949 constitupreventive tion prevented Bundesdiplomacy has to wehr be more being deployed imaginative. Nato area. In

1994, the court ruled that no such impediment existed and that such deployment required no more than parliamentary approval on a case hy case

However, another barrier to Bundeswehr deployment has come to the fore; the idea that patched anywhere to keep the peace where Wehrmacht soldiers once waged war. This proviso, strictly interpreted, would mean that, to make a contribution to present-day sta-bility, German soldiers could go to very few places west of

Another form of self-denying ordinance has also come into play: that any Bundeswehr sortie should take place only as part of a full UN mandate. The reality is, however, that - as a result of international pressure

Union, the ominous sounds to hold together the Nato allihave moved closer, reminding ance - German soldiers may soon find themselves in Bosnia helping allied troops to with-

On the European level, it is difficult to imagine an effective common foreign and security policy unless Germany pulls its weight. Germany's enthusiasm for Europe may well have to be measured in terms of its willingness to carry its part of the military burden of

peace. In this situation, Clausewitz ("Vom Kriege", 1830) may provide some useful reading material. In sharp contrast to popular opinion, the

Prussian general was not in gliding from peace to war. Rather. impressed upon his readers that war was too dangarous a thing to be left

principles ara applied to modern-day peace operations, soma relevant precepts can be deduced. First, war is the most serious means applied to the most seri-

to generals. If

Clausewitzlan

ous end. Second, military action must never be allowed to escape the leash of responsible political management. Third, such action is relatively easy to start. It is therefore advisable to know in advance what the objectives are, how achievable they are, and how to escape if things go In today's world, if Clausew

itz had a say, he would probahly give some additional advice. He might start hy indicating that, if Nato countries are serious about preventive diplomacy, they should act in concert, not in chaos. Furthermore, the the threat of legitimately applied force

should be built into diplomacy from the start, not applied as a last resort when everything

else has failed. Wherever soldiers are sent, lt is up to the politicians to take responsibility. Empty gestures will lead only to frustration and unwillingness in democratic countries to back any. international action whatever

its inherent merits. Military action should be taken only if thera is a capability and a will to escalate. If not, the bluff will be called, as the west's experience in former Yugoslavia unhappily makes clear. The uncertain trumpet encourages rather than discourages trouble if deterrence is to be made to work, it will need that careful blending of diplomacy and strategy which was the cantrepiece of Clausewitz's

counsels. Since war is now more likely than it was when Europe was divided, preventive diplomacy has to be more imaginative This will be a real test of German leadership. Germany is at the centre of a continent beset by new uncertainty, and that country's armed forces will have to play a central role within the common foreign and security policy that will be high on the agenda at next year's intergovernmental conference to revise the Maastricht treaty. Unless the Germans play their part, we can say goodbye not only to preventive diplomacy in Europe's vicinity but also to much of what the Germans regard as essential: Nato and European security.

The Bundeswehr will have to be part of the western response to chaos. If not, we will depart from collective defence and be left with collective insecurity.

The author is director of Stiftung Wissenschaft und Politik, the German foreign affairs and defence policy institute...

# LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine').

Translation may be available for letters written in the main international languages.

### Epic journey has disturbing implications for Eurotunnel

From Dr. Keng M. Tang. Sir, I refer to your recent report about Eurotunnel's £387m loss and the problems of meeting its passenger targets "Eurotunnel warns of failure risk over £8bn hank deht" April 11). Let me tell you about my recent experience at Folkestone.

On Easter Monday, we set out with three friends on a trip of a lifetime! On arrival at Folkestooe at 9:25am. I bought a special day-return ticket for £49. We were waved through by British officials who asked for our passports.

However, the French immigration officials said that I required a visa, even though I am a foreign passport holder with British permanent resident status. They started to fill in forms in triplicate, which they asked me to sign. I did so, thinking it was an application for a visa. Thirty minutes later, accompanied by a British immigration official, I was shocked to learn that I would be escorted hack from the French immigration office (which is technically French territory) to British territory. What I signed turned out to be my "agreement" to be refused admission. The French official could not even manage English words to explain the situation and the British official was unco-operative. Le Shuttle lost £49 in revenue and the local economy in Calais lost some hard currency from the UK. I made a point of asking offi-

cials of the frequency of passengers being turned away by French immigration. They admitted that it was occurring frequently. Several insights are relevant:

 Regularly turning away passengers is likely to result in negative feedback among friends and families. What will be the impact on Eurotunnel's operating targets for passengers?

• At 9.55am on Easter Monday, the whole terminal was practically empty. Between 10.30 and 11.30am, the queue stretched only to 10-15 cars. That seems bad news for Eurotunnel for the start of the holiday season. • There are no facilities for

applying for visas. What will be the impact on Eurotunnel's operating targets for passen-• Is there any possibility of

having co-operative English

speaking French immigration officials? Keng M. Tang, 100 Liverpool Street. London EC2M 2RH

Vital lesson for business community hidden in Bombay's high-rise slums munity organisations engaged partners in India, adopts this

From Mr Robert Davies

Sir, it was perceptive of the FT to feature the challenge that the Dharavi slums present to rapid economic prosperity in Bomhay ("Down and out in high-rise Bomhay" April 15). We believe this illustrates not only the limits to sustainable progress when economic development is threatened by a hinterland of poverty, hut also the challenge to husiness to seek out partnership opportunities for working with community

in housing, employment, and sanitation projects in the Dharavi slum community suggested that businesses, investing and expanding in Bombay and its hinterland in the new climate be welcome as partners supporting community projects as long as they are good listeners and huild rather than undermine the self-help potential of local groups.

The recently launched Indian Business and Commu-Our consultations with com- nity Partnership, with local London SW1Y 6JJ, UK

I have usually found the trip

to take about 90 minutes, not

two hours, and moreover it is a

hargain for those with little

luggage and for whom the

costs come out of their own

Second, on the subject of

taxis: your writer quotes \$50

and one hour in light traffic,

hnt returning this week from the Upper West Side my cah

took half an hour and the total

as one of its priorities. Indian and international business can be a force for change, rather than waiting for the benefits of growth to trickle down, if sen-sitive to the partnership and of Indian liberalisation, would | the fact that growing wealth cannot be sustained unless balanced with commitment to social development. Robert Davies, chief executive.

The Prince of Wales Business Leaders Forum. 5 Clevelond Place.

Lastly, on the subject of air-

port buses, which your writer

did not mention: perhaps FT

Good bus services at about

\$12 run to Manhattan from all

New York airports, with drop-

readers do ont use them!

# JFK airport's perils are a matter of perspective From Mr Michoel D. way from the airport to central included) was \$37. Varcoe-Cocks. Lastly, on the st

Sir, JFK is certainly the worst airport - large or small - I have the misfortune to use, but your correspondent exaggerates the problems of getting there from Manhattan (Survey of Business Air Travel: "Poor welcome to Big Apple", April

First, on the subject of the subway: there are many even less desirable parts of New York City" than those through which the A-train goes on its (tolls and 15 per cent tip

From Mr Pete Roche.

Douglas Hurd, the foreign sec-retary, that the UK is to cease production of fissile materials for weapons was a bit of a con ("UK 'has halted the build-up of N-material", April 19). The UK has about 3 tonnes of weapons-grade plutonium, and has probably not produced any

from old nuclear weapons into new ones. Most of our enriched uranium has been imported from the US. The UK has already announced that fissile material from dismantled weapons will be recycled.

foreign minister, called for "weapons-grade fissionable material from dismantled weaponry...not [to] be used to

off points at the main hotels or close enough to most destinations for the journey to be completed by cab for only an extra Michael D. Varcoe-Cocks, 5 Brackenbury Road,

build new weapons". If Mr

Hurd had announced such a bold step, which would mean

## A missed opportunity for non-proliferation

Sir, The announcement by since 1979. It re-cycles material

Dr Klaus Kinkel, the German

no further Trident warhead production, he would have made a genuine contribution to non-proliferation rather than the cynical gesture we saw. Pete Roche Greenpeace UK, Canonbury Villas.

# Confusing trade statistics for Latin America highlight urgent need for revised calculations

From MT Victor Bulmer-Thomas. Sir, Economists preach the

division of labour and practice it by leaving to statisticians the preparation of the statistics on which economic policy is based. What, however, happens when the statistics are contradictory?

A case in point is provided by two articles in the Financial Times for April 4. A report on world trade pre-

pared by the World Trade Organisation (WTO) refers to an increase in Latin American On the following page, a

exports last year of 15 per cent. report from the interAmerican Development Bank conference in Jerusalem referred to an increase of 9 per cent. When price increases are stripped out of these figures, the volume increases are 10 per cent and 4 per cent respectively.

Real GDP is estimated to

have grown by 4.1 per cent in Latin America last year. Consequently the higher trade estimate for the volume

of exports implies successful export-led growth, fully justifying the tough measures adopted in support of adjustment programmes in the last 10 years. The lower figure, bowever, means that exports harely kept pace with the expansion of the economy, implying that the export sector is still failing to act as an engine of growth. One set of figures implies success and the

At the level of the nation state, such inconsistencies are resolved eventually by means of departmental wranging. No such mechanism exists at the international level. At a time when Prime Minister John Major is preparing an important initiative for the meeting of the G7 in June to reform 2 number of international organisations, is it too much to ask that those civil servants preparing the documents should give some thought to ways in which these statistical inconsistencies could be resolved? Victor Bulmer-Thomas, University of London, Institute of Latin American

31 Tavistock Square, London WC1H 9HA, UK

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# FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Tuesday April 25 1995

# Respite for Dini

In Italian politics, a large step backwards is often the precursor of a csutious step forward. After the sharp fall of the lira added to uncertainties over the future of Mr Lamberto Dini's government earlier this year, this weekend's regional and local elections have regional and local elections have brought the prime minister a breathing space. Mr Silvio Berlus-com, Mr Dini's predecessor, who had been hoping for a rapid return to office, fell well short of the overwhelming victory that could have prompted a dissolution of parliament and a June general

The two broad alliances now dominating Italian politics emerged with nearly equal scores. Mr Berlusconi's right-wing Free-dom Alliance gained around 42 per cent of the vote, matched by the centre-left led by the former communist Party of the Democratic Left. This near-stalemate offers little prospect that an early election would produce a conclusive result. Mr Dini thus has a little more time in which to carry out the crucial reforms to which be committed his government of technocrats in January, above all measures to restructure the pensions system and reduce the chronic budget deficit.

Mr Berluscom had been hoping for an unstoppable call for elections that would return him to power this summer, but his supporters' score was more than 10 percentage points below last week's forecasts. It is too early to conclude that Mr Berlusconi is a spent force, but the momentum

forefront of politics has faded. If the referendums planned for June on broadcasting reform result in a signicant trimming of Mr Berlusconi's media hold, his chances of a come-back in an autumn election will be further eroded.

The message of the weekend polls is that Italy is inching with difficulty towards the bi-polar political system that seems to provide the best basis for effective government. The forces holding together the two right and centreleft alliances are still fragile. Of the two, the coalition of the centre-left seems slightly more uncertain, since unity may be undermined by the relatively strong showing of Reconstituted Communism (RC), formed from the hard left of the old Italian communist party. Yet the signs of political realignment are unmistakeable, forming a welcome platform for greater political stability.

The international financial climate will not become any less forgiving, particularly in view of fears that the lira's depreciation has worsened the inflation outlook. The prime minister's job, too, is no less difficult than before: to build a national consensus on the tough, permanent measures that a future elected government will have to take to restore Italy's political and financial credibility. After this weekend's respite, Mr Dini now has months, rather than weeks, to carry out his task. In Italy's dire circumstances, that adds up to a modicum of good

# Arms and the IRA

The announcement that British ministers are now ready to participate in preliminary discussions with Sinn Féin is to be welcomed. The impasse over the terms under which Mr Michael Ancram, the Northern Ireland minister, would join his civil servants in the talks with the IRA's political wing risked undermining the ceasefire in the province.

The formula found to break tha deadlock is a careful compromise. The government, rightly, has not accepted a direct link between the decommissioning of IRA arms and Sinn Féin's demand for the complete "demilitarisation" of the province. The attempt by Sinn Féin to giva legitimacy to tha IRA's illegal weapons' stockpiles by tying them to the presence in the province of British security forces was unacceptable.

The government, bowever, has also shown flexibility. To a degree it is taking Simn Féin on trust. The Northern Ireland Office's statement on the new phase of negotiations says "no subject is excluded from the dialogue". In other words, there is nothing to stop Sinn Féin representatives from raising with Mr Ancram Republican calls for the withdrawal of the British army.

To those unacquainted with the fragile politics of Northern Ireland, the distinction may seem like sophistry. But entrenching the ceasefire requires that contacts with Sinn Féin do not undermine support for the peace process government had to be able to say, give up its guns and explosives.

hand on heart, that ministerial contacts with representatives of the IRA were on the same terms as those that have already taken place with leaders of the protestant paramilitaries.

It now falls upon Sinn Féin to make good the private assurances it has given to engage in substantive discussion on arms decommissloning. Unless visible progress is achieved, there can be no question of Sinn Fein joining the wider constitutional talks on which Sir Patrick Mayhew, the Northern Ireland Secretary, is now embark

and for the US governments. In recent weeks senior politicians in the Irish Republic have suggested that the British terms for ministerial talks were an unnecessary stumbling block to the peace process. They have warned that the IRA's response might be a return to violence. Such comments are dangerous, implying an acceptance that the IRA can be permitted to threaten its way to the negotiating table. Now that Mr Ancram is to join the talks, Dublin should concentrate its attentions on applying the maximum possible pressure on Sinn Féin.

President Bill Clinton, contemplating in recent days the tragedy of the terrorist bombing in Oklahoma, should do the same. The White House should make clear to Mr Gerry Adams, the Sinn Fein president, that ba will be welcomed again in the US only when the IRA has shown itself willing to

# France Unhappy

Socialist takes clear lead in French poll." That or something like tt is the unavoidable headline on the result of the first ballot in France's presidential election, neld on Sunday. But a knee-jerk rush to dump the French franc would be doubly foolish. First, it is under a Socialist president that France has become firmly committed to a "strong franc" policy, and there is no reason to think that Ltonel Jospin would be less so than François Mitterrand. Second, this was only the first ballot, and Mr Jospin's chances of actually becoming president in a fortnight's time are hardly less remote than they were last week. Undonbtedly Mr Jospin bas done well, in the mere 11 weeks since a thoroughly demoralised Socialist party chose him as its candidate, in pulling the left-wing vote together. Evidently many left-wing voters realised that only by backing him in the first round could they avoid being ignominiously eliminated from the second. The fact remains that he owes his lead above all to the division of the right, and that the right-wing votes outnumber those of the left

by roughly three to two. Jacques Chirac must have had a nasty shock. He will no doubt be relieved to have a clean fight in the second round against an ideo-logical opponent, rather than a continuation of the internecine battle with his fellow Gaullist and former protégé, Edouard Balladur. But he will be chagrined at having to start three points behind Mr Jospin, and at having so narrowly avoided elimination by Mr Balla-

To accuse him of complacency would be unfair. It was his supporters who kept shouting on a gagné ("we've won"), while he reminded them that "until the last minute, we have not won". Yet the voters seem to have wanted to punish him for being in front, just as they did Mr Balladur at an earlier stage in the campaign.

Over 15 per cent - more than ever before - voted for Jean-Marie Le Pen, the National Front leader, and another 5 per cent for the right-wing Eurosceptic, Philippe de Villiers. At the other end of the spectrum. 5 per cent voted for the vateran Trotskyist Arlatte Laguiller, in addition to nearly 9 per cent for the Communist Robert Hue. It is as though the electorate were determined to make sure that whoever eventually emerges as president does not take office feeling too pleased with himself; above all, that he does not imagine they, the voters, are happy with the way France is being run by its political class,

irrespective of party.

The France that voted yesterday is a discontented France. It eliminated Mr Balladur because, as prime minister, he could not help being the candidate of continuity, and appeared also the candidate of self-satisfaction. It has been encouraged by all the candidates. and not least Mr Chirac, to think that things can be better. If Mr Chirac wins, as he is still almost certain to, he will face expecta-

he French presidential election is a two battle war, in which the two generals surviving the first skirmish seek to rally whatever leaderless troops they can find for the final show-

On Sunday, Mr Lionel Jospin, the Socialist candidate, won the first confrontation. But Mr Jacques Chirac, the gaullist candidate, is still the favourite to win the second round on May 7. He has bigger reserves on his right flank to draw on although overt support from fol-lowers of Mr Jean-Marie Le Pen, leader of the far-right National Front who came fourth in Sunday's vote, would lose him many votes in

Mr Jospin's surprise win in the first round over his two gaullist rivals, Mr Chirac and prime minister Edouard Balladur - who has now been eliminated - makes for a more interesting and uncertain final round. After he proved all the pollsters wrong in the first round, no one can completely write off Mr

Jospin's chances of success. A left-right confrontation in the final round is also probably good for French democracy. The voter turnout on Sunday, at 78.4 per cent, was nearly three points lower than the first round figure in the last presi-dential election in 1988. If the May ? run-off had been an all-gaullist affair between Mr Chirac and Mr Balladur - as seemed possible until Sunday evening - many more vot-ers, especially on the left, would probably have stayed at home.

Less healthy for the country is that left and right are being pulled further apart by their extremist fringes. "On top of the traditional left-right cleavage is now superimposed the rise of a neo-populism which is reflected in the good performance of the extreme left and extreme right," Mr Franz-Olivier Giesbert, editor of Le Figaro newspaper wrote yesterday. He was commenting on the fact that the "mainstream" candidacies of Messrs Jospin, Chirac and Balladur only won 62 per cent of Sunday's votes; the rest were won by candidates whose parties or movements are with the exception of the Communists - almost completely unrepresented in the National Assembly.

People elsewhere in Europe may be perturbed by the fact that the minority candidates all declared themselves against the European Union, in its present form. Foreigners, and many French, cannot fail to be disturbed by Sunday's strong vote for Mr Le Pen in border areas. where concerns about immigration are highest. Mr Le Pen's strongholds now line many of France's frontiers - in Moselle, Alsace, part of the eastern Rhône valley, and on the southern coast from the Riviera to the eastern Pyrenees

# Battle for French floating voters

David Buchan examines the right-left tussle between Jacques Chirac and Lionel Jospin for the presidency after the first round of voting

But unemployment was equally responsible for Mr Le Pen raising his score to 15 per cent, up slightly from his 14.5 per cent performance in 1988, despite this time fecing competition on the right from the anti-European conservative, Mr Philippe de Villiers. The most striking feature of the table accompanying this article is that nearly one third (31 per cent) of the voting unemployed cast their ballots for the National Front leader.

Of the "mainstream" candidates only Mr Jospin managed a score among the unemployed that was as high as his overall total (23 per cent); the Socialist candidate's call for a reduction in the standard working week from 39 to 37 hours hy 1997 in order to open up more job slots was evidently appreciated by some of the jobless. Mr Jospin has also been the only major candidate to call for a cut, albeit a moderate 1-2 per cent a year, in defence spending. His success on Sunday may be a sign that the consensus on maintaining military expenditure is beginning to crack five years after the end of the cold war.

But most commentators yesterday attributed Mr Jospin's success to the way he has kept just the right distance from President Mitterrand and his mixed record during 14 years at the Elysée. Jospin, Le Figaro said yesterday, had "incarnated renewal without assuming the inheritance [of the Mitterrand eral or acting as its assassin".

In his campaign rallies, Mr Jospin has chosen to spotlight Mr Mitterrand's European and social policy achievements, while leaving in shadow the scandals that erupted during his reign. Nor, in contrast to allegations of improper personal enrichment that swirled around Mr Chirac and Mr Balladur during the campaign, has any doubt arisen about Mr Jospin's financial probity. Indeed, the Socialist candidate is said to have been worried that the paucity of his personal assets - the result of a recent divorce settlement might actually count against him with the electorate.

By age 25-34 35-49 20 23 Over 65 By profession Farmers. 25 White-coller 26 13 Blue-coller Pietred Chernployed Male 15 17 . Female: Source: CSA Institute include some Balladurian themes was vesterday busy trying to

The Big Four: how the votes were won

reunite. This task of reconciliation was made easier by the closeness of the scores on Sunday between Mr Chirac, with 20.8 per cent, and Mr Balladur, with 18.5 per cent. At the end of the long battle between the two men, there was therefore no triumph for the victorious Mr Chirac nor bumiliation for the vanquisbed Mr Balladur. The prime minister was swift to pledge his support for Mr Chirac, and the mayor of Paris was clearly grateful to receive it.

power over the Chirac campaign. In the short term, this is likely to However, he faces an uphill strug-gle against a traditional right which mean that the mayor of Paris will UDF federation. The UDF had

European integration, fiscal discipline and sound monetary policy into his final campaign speeches. Mr Chirac may also drop some of his rhetoric about giving workers a bigger share of the fruits of economic growth. Apart from irking the Balladurian right, this theme of redistribution preached by Mr Chirac "may have given a new legitimacy to the Socialist candidate", noted Mr Serge July, editor of the Libération newspaper, yesterday.

In the longer term, Mr Chirac will The defeated Balladur camp be expected to incorporate some therefore has some bargaining erstwhile Balladur loyalists into erstwhile Balladur loyalists into any government he forms and to

largely deserted its leader, ex-president Valéry Giscard d'Estaing, to back Mr Balladur.

Reconciliation with Mr Balladur's supporters would also deter Mr Chirac, if and when he is elected president, from calling fresh parliamen-tary elections. A snap election had seemed possible in the case of a Chirac-Balladur presidential contest carried to the bitter end; this would have probably irremediably split the RPR-UDF majority in the Netional Assembly, requiring a President Chirac to try to get him-self a new majority.

Even if he does win on May 7, Mr Chirac will still have Sunday's vote to remind him of the continued strength of the Socialists, and to dissuade him from risking a parlia-mentary election. According to the constitution, this does not have to take place until 1998.

y far the trickiest balancing act for Mr Chirac is how to win some National Front support without eny overt wooing. It is so tricky that he will probably leave the task to others. Mr Alain Juppé, the pro-Chirac for-eign minister, had a go yesterday. While saying he did not share Mr Le Pen's values, Mr Juppe, tipped as a Chirac-appointed prime minister, said those who voted for Mr Le Pen were expressing preoccupations about which "all candidates, and in particular Jacques Chirac, must take account of".

Among these preoccupations, Mr Juppé said, were "law and order in our cities and suburbs and the preservation of a certain form of national identity". On the other hand, Mr Juppe cautioned that Mr Le Peo's rise should not be exaggerated. The National Front leader had only improved his presidential score hy half a percentage point in seven

years, Mr Juppe noted.
But Mr Chirac may have been seriously shaken by the fact that he has only managed to improve his first-round score by three percentage points over the three presidential elections be bas contested. After his second defeat in 1988, he suffered a brief bout of depression, convinced that he was doomed to a limited electoral appeal.

In recent weeks, be, and the polisters, clearly thought that this time be had conquered a wider public. Given the forces now in his favour. he still has no reason to think he will lose. But the main event of the second round campaign will be, at long last, a television debate on May 2, between the two presidential finalists. Television is not Mr Chirac's favourite medium. If he were to be shaken in debate by Mr Jospin, revitalised by his Sunday victory, the outcome of the second round on May 7 might be genuinely

# Dirty tricks on the deregulation line



deregulating tele-communications to create an open mar-ket by 1998. Many in ket by 1998. Many in PERSONAL the telecoms sector VIEW assume that the process is progressing in a positive and

planned fashion. However, there is a wide gap between the principles of EU directives on telecommunications and conditions in most of the markets they cover. Throughout continental Europe, laws to promote competition on international and national

telecom services are being ignored as a matter of routine. For example, most of the national telecoms monopolies have failed to provide accurate data on their underlying costs, as required by the EU more than a year ago. The national regulators need this information so that they can bring telecom charges closer to costs, one of

the goals of the EU programme. Just as important, anticompetitive business behaviour is common in many EU countries.

Since 1992, the These "dirty tricks" include: been committed to arbitrary, discriminatory and lacking in transparency - for example, offering individual customers spe-cial prices to ward off a competitor Using profits made in sectors such as local telephone services

where there is no competition to subsidise activities in competitive sectors such as provision of equip- The abuse of privileged information the national telecoms operators obtain from their monopolies. For example, wheo approached by new telecom operators who need to lease local lines to link customers to their

networks, some have used the infor-

mation to identify customers that

are poised to leave their grip and

mount efforts to keep them.
Anti-competitive practices are also occurring in markets that are competitive in theory, but controlled by the national monopolies in practice. One such market is that for internal office telephone systems or private branch exchanges which allow large husiness users to control and route their telephone and fax traffic. New

telecoms service providers must are usually hopelessly inadequate. European Union has • The setting of prices that are modify customers exchanges to divert calls over their networks, but be allowed to operate in liberalised in some cases, the national monopoly refuses to modify exchanges it has supplied to do this. Another strategy used by the

national monopolies is to circumvent restrictions on operating in their home markets by moving into other countries through alliances While governments own monopoly companies they are

unlikely to encourage real competition

with other telecoms companies. In some cases, they also set up separate companies in their bome markets to compete against new entrants in segments that bave been liberalised - for example, mobile telecommunications. Safeguards to prevent soch ventures from benefiting from direct and indirect subsidies, as well as favouritism, from their monopoly parents markets while their home markets remain closed. Consumers are forced to wait for lower prices and new services, while their national monopoly suppliers stalk the globe in search of new opportunities subsidised by years of artificially high prices.

The regulators bear much of the blame for the damage that has been done to the market as a result of such practices. They have failed to force the national telecoms operators to separate monopoly services from those that are competitive to stop cross-subsidisation. They have also failed to enforce the laws on providing data on costs, so that charges still do not reflect underlying costs.

It is not surprising that the monopolies are unwilling to relinquish their dominant positions. But as long as governments own part or all of their monepoly telephone companies, they are unlikely to encourage real competition that will erode the value of their stakes

in the UK, privatisation and liber-Telecoms monopolies should not alisation have resulted in the emergence of British Telecommunica tions as an important international company and London as the tele-communications bub of Europe. BT still has some outstanding issues to resolve, such as the charges made for connecting competitors to their customers through the local net-work. But the fact that BT's prices are significantly lower than those charged by most European telephone monopolies is compelling evidence of the benefits of successfully

managed liberalisation.
It is time the filegal practices of the telecommunications monopolies were exposed. National operators in almost every EU country are overcharging their customers to the tune of billions of Ecus every year. All talk of huilding a telecommunications superhighway in Europe is premature until these fundamental issues are resolved.

## Michael Potter

The author is director of Esprit Telethese companies. com o telecommunications company.

# **OBSERVER**

# Currency flotation

Sometimes it actually does rain money. Venezuelan police – who believed a criminal court judge had accepted a cash bribe in return for letting an accused man go free -have just paid a visit to the judge's apartment outside Caracas, in the hope of catching ber red-handed with part of the bribe money. But the judge, Melida Aleksik Molina, heard the approaching law men and, in an effort to dispose of the evidence, began throwing packets of Venezuelan currency out of the window of her 20th floor flat, much to the joy of her neighbours, who picked up as much as they could. Police estimate that the judge defenestrated the equivalent of nearly \$5,000, no small sum by

Venezuelan standards It's not clear how much money police recovered from this rather upporthodox re-distribution of wealth programme; the judge and two alleged accomplices were arrested on charges of extortion. No litter charges are planned.

Naughty boys Slapped wrists for the main French television channels over their presidential election coverage on Sunday night. The andio-visual regulator has written to France-2, complaining that it "will not

tolerate" any repetition of its decision to announce the findings of its exit polls before the booths closed at 8pm. Stop-watches in hands, the regulators noticed that the channel declared the result at 7.58pm and 10 seconds, while TF1 gave its estimate at 7.59pm and 2

Glossed over ■ This takes revenge onto a

completely new plane. A Californian man, Reynaldo Fong. furious over a land deal that fell through, has just been senteoced to one year in prison for having arranged to send the property owner 90,000 magazines.

I got every known magazine on the face of the earth," said Theresa McConville, who was pestered by the deliveries for 13 years.

Small change

Now this is the type of thing that brings joy to Observer's hard-bitten heart. The Industrial and Commercial Bank in China is about to extend to all of its branches a policy which has been pilot tested at the branch in Jiman, in the north-east coastal province of

Shandong. The Jinan outpost produced last August a list of 90 "uncivilised" responses which its employees must not use to customers. They included such well-worn phrases as: "Can't

you see I'm busy?" and "that's not my responsibility." Also banned are: "Wait over there" and "if you don't like it, talk to the

But another prohibited expression - "I don'i know" - seems rather innocuous, almost a positive improvement to the kind of remarks Observer encounters in banks. At least it shows a degree of

Crime doesn't pay Watch out for a crima boom in, of all places, Brazil, which is anyway hardly a contender for the International Golden Truncheon Award. The reason is that the country's federal police service is almost bankrupt, according to the Rio newspaper Jornal do Brasil.
"It's a sad situation," are the reported words of the service's director, Vicente Chelotti, who last

week chipped in the equivalent of \$1,650 of his own money in order to stage an anti-crime operation. Chelotti reckons the last government left the service \$4.4m debt.

His four agents in the western Amazon frontier state of Rondonia don't have any money for their instead. Branches in the north-eastern coastal capital Maceio and the southern town of Santa Maria have been asked to vacate buildings, having failed to pay the

Not so much interpol, as Interplate - being handed round right now.

Please be seated · ■ Thank goodness for high-level international summits; they give the chance to tart the place up a bit. Lavetories at the Maritime Museum of the Atlantic - where leaders of the G7 industrialised nations will

conduct their summit in June - are

being improved, requiring the museum to close for up to six weeks while workers come in. The extensive renovations are et the request of those organising the summit, according to museum director David Flemming: "We'll be closing whenever the contractors come in. . . it's pretty hard to stay open if we don't have public

washrooms." And we thought the big decisions were always made in smoke-filled rooms...

Smart card

■ What weak dollar? Smart Money, the Wall Street Journal's personal business magazine, is pursuing a high risk pricing strategy in Britain. Its UK distributor has converted its \$2.50 cover price to £2.70, which is £1.15p more than it should be. If the mag is worth reading, then the really smart money would buy it in the US and get it sent over by post.

# Ginancial Times

#### 100 years ago Austrian pastonalisation

At to-day's sitting of the Budget Committee the Minister of Commerce made e statement in regard to the projected ecquisition of the railways by the State. The railways which had been acquired up to the present formed, he said, but an incomplete network which could not be made the basis of a uniform scheme of railway policy. He regretted to say that the last conference with the Hungarian Government on the subject had in no way advanced

Electric lighting Good evidence of the progress made hy electric lighting was given yesterday at the meeting of the County of London and Brush Provincial Electric Lighting Company. This country has been slow in adopting electricity as an illuminant compared with the United States, South America and some parts of Continental Europe, but we have the satisfaction of knowing that we are now waking up to its advantages.



A Division of Senior Engineering Group pic

# FINANCIAL TIMES

Tuesday April 25 1995



# Lloyd's may hasten plan for transfer of liabilities

By Raiph Atkins in London

Lloyd's of London is accelerating lts financial reorganisationin order to secure the insurance market's future prosperity.

In an interview with the Financial Times, Mr David Rowland, Lloyd's chairman, said the market was considering speeding up plans to extend the scope of Equitas - a separate company being set up this year by Lloyd's to which billions of pounds of liabilities on old loss-making policies are to be transferred.

Until now, only liabilities from before 1986 were being considered for transfer to Equitas. Under the new proposals, liabilities up to and including 1992 would also be moved into Equitas to help create a "clean" insurance market for

Mr Rowland said the proposal was being studied as part of a fundamental re-examination of the insurance market's recovery

plans.
The results of the review are expected to be announced by the time of Lloyd's annual general meeting on May 30.

**G7** dispute

intensifies

Continued from Page 1

regroups

Continued from Page 1

how supporters of Sunday's

selves. Attention focused on the

right, which brought a record

score of 15 per cent for Mr Jean-

Marie Le Pen, leader of the

extremist National Front. Along

with a strong showing for other

extremist and fringe candidates,

it was seen as evidence of disaf-

fection with mainstream candi-

dates and parties and anxiety

far right and far left shows that a

neo-populism is rising over the

traditional left-right divide." said

Mr Franz-Olivier Giesbert, editor

of the daily Le Figaro.

The good performance of the

about chronic unemployment.

towards the dollar. He said the

US had not intervened much to

support the currency, nor raised

interest rates recently, nor taken action to tackle the fundamental

His remarks came as the Insurance market denied reports that it faced a solvency crisis and that the Department of Trade and Industry might have to curb its trading activities. Lloyd's officials said the market was losing business because of ill-informed

Meanwhile, the Association of Lloyd's Members predicted the market would show a loss of up to £1.7bn (\$2.75bn) on its 1992 account. Under Lloyd's threeyear accounting system, the 1992 result will be declared next month. Such a loss would be larger than previously forecast. However, the association said the 1993 account was "one of the best

years in Lloyd's history". Minories, the Lloyd's members agency, predicted Lloyd's would this year seek £1.3bn from Names individuals whose assets bave traditionally supported the insurance market - to cover cumula-

tive losses in recent years. Mr Rowland yesterday publisbed his statement in Lloyd's annual report, due to be released at the weekend, in an effort to belp restore confidence in the

Lloyd's is satisfied "on the basis of our progress to date, our knowledge of the substantial profits already earned in the 1993 and 1994 accounts, and of the proposals we are considering" that it

a "going concern". Yesterday, Mr Rowland attacked recent media coverage of Lloyd's, saying: "It [insurance] is a business that is built on confidence . . . Wa do have a very considerable talent in this country in the last years for destroy-ing the very things that we need to build up.

Equitas is expected to be set up from the end of this year. It will offer some relief to Names who are trapped as Lloyd's members by uncertainty about futura

In its original form Equitas was designed to deal with pre-1986 liabilities which have brought serious losses to some members. Concern about liabilities after 1986 has prompted Lloyd's to seek to broaden the already ambitious Equitas project to cover policies sold up to

# **Brussels looks to** waive competition rules for telecoms

By Emma Tucker in Brussels

economic weaknesses by cutting government borrowing more. Mr Santer said he was glad the The European Commission is idea of a formal accord to support the dollar would be raised at the considering setting up special rules to exempt commercial meeting by Mr Edmond Alphanagreements between telephone dery, the Freoch finance minisnetworks and service providers from scrutiny by Brussels after Japanese finance ministry offithe liberalisation of the European cials en route to the meetings said that the idea of establishing Union's telecoms sector in 1998. target zones for the world's lead-

Competition officials at the Commission have asked legal experts to look at the idea of a ing currencies was likely to be discussed. However, this would "bloc exemption" arrangement run into fierce opposition from countries such as the UK. allowing networks and services owned by separate operators to link up without reference to an outside body, given certain condi-French right tions. Bloc exemptions exist for other sectors, including car and beer distribution.

The introduction of similar rules for the telecoms sector would prove controversial. There is already tension in Brussels between the directorates responsible for telecommunications and competition over who should

telecoms regulatory regime. However, the Commission is under pressure from telecoms companies to provide a workable legal framework before full deregulation takes place. They are anxious that new crossborder opportunities after 1998 should not be hampered by former monopolistic operators charging unwarrantedly high interconnection fees.

An example of the kind of interconnection involved could be the joint venture between

1010

Viag of Germany. If awarded a public operator's licence, lt will have to interconnect with Deutsche Telekom's network to

deliver voice calls in Germany. But regulations for charges for such interconnection do not yet exist; Brussels is working on a directive but it could take five years and go through considerable changes before becoming law, BT, Telecom Finland and others are worried that without timely action at a European level, regulatory anthorities in many EU member states - whose standards vary considerably might not make the necessary arrangements to ensure satisfactory interconnection for new

"A single European application of rules is essential, to avoid different approaches in different member states," said BT. "Any discriminatory application of regulation or market entry assis tance runs the risk of encouraging inefficient or unsustainable competitors, with long-term dis-

advantages to consumers."
EU ministers asked the Commission to prepare draft propos-als for an EU-wide regulatory framework by the end of the year, so that the necessary safeguards could be put in place ahead of the 1998 de adline for lib eralisation of voice telephony and infrastructure. So far only nonvoice telecoms services bave been opened up to competition.

Dirty tricks on the deregulation

FT WEATHER GUIDE

# Centre-left challenges Berlusconi in Italian local polls

Left (PDS) yesterday emerged as main challenger to the rightwing alliance of Mr Silvio Berlusconi which bas set the political agenda for the past year.

Confounding projections for Sunday's regional and local elections, the centre-left alliance looked set to equal or even surpass the vote won by Mr Berlus-coni and his rightwing allies.

The outcome was a serious set back for Mr Berlusconi's ambitions to force an early election in June. The Berlusconi camp was notably silent yesterday after celebrating on Sunday a clear lead of almost 7 percentage points in the exit polls.

Mr Massimo D'Alema, the PDS leader, is committed to allowing the government of Mr Lamberto

measures to limit the conflict of interest between Mr Berlusconi's Fininyest business empire and his role as a politician. Financial markets reacted can-

tiously, but traders sald the likely avoidance of a June election was a positive ontcome. The lira was virtually unchanged on Friday's close at L1,249 against the D-Mark, The Milan bourse dropped 0.6 per cent, but investors were reportedly awaiting the full details of the result which were not available before

According to projections, the vote for both alliances hovered around 42 per cent. Apart from the PDS, the centre-left alliance is composed of the bulk of the now-split Popular party (PPI), the heirs of the Christian Democrats, former Socialists and

The rightwing alliance comprises Mr Berlusconi's Forza Italia, the rightist National Alliance of Mr Gianfranco Fini, the small Christian Democratic Centre and elements of the PPI.

le absentées from eithe alliance were the populist Northern League of Mr Umberto Bossi and the Reconstructed Commnnism, successor to the old Communist party. These two groupings did well and together won 15 per cent of the vote. Their future allegiances will hold the key to the next election and the length of the Dini government. Early returns showed the

By Robert Graham in Rome

Italy's centre-left alliance dominated by the former communist party of the Democratic

the government of Mr Lamberto
Dini to complete its limited mandate with the aim of holding a
general election in October.
Buoyed by yesterday's vote, Mr
D'Alema may encourage Mr Dini
to push through legislation.
including vital pension reforms.
This could include introducing

the markets closed.

Greens.

centre-left alliance bad won six of the 15 regions, while Mr Berluscomi and his allies bad taken five regions.

Neither bioc able to win, Page 3

# THE LEX COLUMN Jospin jitters

The lead secured during the first round of elections by the Socialist presidential candidate, Mr Lionel Jospin, was a surprise, but the markets were right not to be overly concerned. A traditional run-off between left and right will be far less damaging than a fratricidal campaign between Mr Jacques Chirac and Mr Edouard Balladur. Such a struggle would have so disrupted the right that the eventual winner might have proved incapable of commanding a majority in the Cham-ber of Deputies.

Besides, given the distribution of votes during the first round, a victory for Mr Jospin remains at least unlikely, if not impossible. If he were to win, it would be disastrous for tha markets, at least in the short term not because of his policies, but because of the subsequent political uncertainty. Mr Jospin would need to call a general election in which he would have little hope of securing a majority. Months of messy cohabita-tion would ensue.

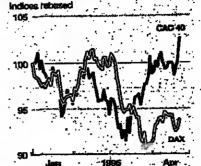
What should the markets make of the more likely winner, Mr Chirac? The key question would be how Mr Chirac met his election pledge to reduce unemployment. If be decided to expand monetary policy or reduce income from social security without commensurate spending cnts, that could mean the sacrifice of the franc fort. French equities' recent strong rally has been predicated on this scenario. Until he decided, the markets would remain volatile. Eventually, either the franc and bond markets must fall - as Mr Chirac decoupled the franc from the D-Mark - or the equity market would suffer a correction.

#### Swiss governance

In the seven years since Nestlé shocked the Swiss stock market by allowing foreigners to buy its registered shares, Switzerland has undergone a gentle corporate revolution. The larger Swiss companies have become increasingly friendly to their shareholders, especially performanceoriented foreign investors. They have adopted international accounting standards in the name of transparency and abolished some of the numerons classes of shares for the sake of share-

holder democracy.

That revolution has taken a further step with the SFr385m bid from International Paper, a US company, for Holvis, a Swiss paper and non-woven fabrics group. In what is believed to be the first hostile bid for a Swiss com-



pany, IP has commendably introduced Anglo-American notions of fair-play into Switzerland. The offer has been extended to all shareholders, going law which neglects the interests of

minority shareholders.

The bid is prompted by Mercury The bid is prompted by Mercury Asset Management, the large UK institution which together with clients owns 31 per cent of the Swiss group. Exasperated by what it viewed as the lamentable performance of Holvis, it has helped find a bidder for the company. Such activism on the part of MAM is exemplary; management of continental European companies often pnts the interests of institutional nvestors low down the list of priorities, while shareholders tend to be too passive in dealing with underperform-

On the face of it, the Italian stock market's anaemic reaction to Sunday's regional elections is surprising. After all, voters' unenthusiastic support for former prime minister Mr Silvio Berhisconi has secured a longer-term role for his troubled successor, Mr Lam-berto Dini. The technocratic administration and reform programme of Mr Dini offer sufficient parallels to those of his former Bank of Italy boss, Mr Carlo Azeglio Ciampi, to give some grounds for optimism. And since Mr Berlusconi is now unlikely to force elections before October, Mr Dini has time to work on pension reforms and the next budget.

The problem is that Mr Dini needs

more than time. He has no core support in parliament, as demonstrated

This announcement appears as a matter of record only

by his struggla to pass the comparatively uncontroversial mini-budget. His current push to reduce the government's rising pension obligations is far more sensitive, since it will be taking money away from voters. Italy is effectively entering a six month election-eering campaign, so there is a danger his pension reforms will be diluted to the point of meaninglessness.

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and first b

At least the strengthening of core left and rightwing alliances in tha elections auggests the possibility of greater political stability in the future But Mr Berlusconi's track record can hardly inspire confidence, while the leftwing alliance of Mr Romano Prodi remains something of an unknown quantity. This is not a recipe to inspire a recovery of Italy's battered

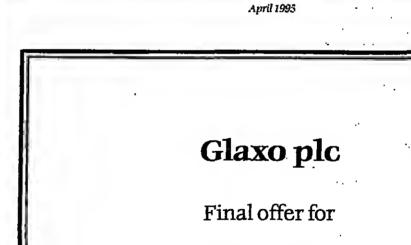
#### Abbey/N&P

Abbey National's pursuit of the National & Provincial Building Society makes some financial sense. The building society turned bank has deep pockets; thanks to its active treasury department. Abbey's assets of £94hn will outstrip even those of the Leeds and Halifax building societies, after their merger. Even if it were to pay twice N&P's net asset value – more than Lloyds Bank is now paying for Cheltenham & Gloucester – N&P could enhance Abbey's earnings by close to 10 per cent. Unlike N&P's failed merger with the Leeds, the geo-graphical fit is also reasonably good. It may be some relief to sharehold-ers that Abbey's putative acquisition

is in a core domestic business, given its poor record in overseas expansion. But the UK mortgage market is not attractive territory. Abbey has managed to increase its non-housing-re-lated business to 25 per cent, and has a 40 per cent target. Competition is proving fierce, as direct lenders with a lower cost-base, such as Direct Line, are able to pass on savings to borrow ers; the result is a tight squeeze on building societies' margins. Abbey would hope, of course, to get other new business from N&P account holders, but this may be difficult to realise Unfavourable conditions within the building society sector may provide a strong incentiva for societies to merge

and cut costs. But the rapid pace of M&A activity in the sector should also cause buyers to think carefully about whether they are overpaying.

See additional Lex comment on Cray Electronics, Page 27



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The Wellcome Trust



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# **Europe today**

Cloud and showers will occur near a frontal zone separating warm air over the Britsh Isles the Benefux, southern Sweden, Denmark Germany and Poland from cooler air over France, Spain, Portugal, the Alps and Italy. North of the front, it will be fair with sunny periods and relatively high temperatures over the UK, the Benelux, northern Ge Denmark, Poland and the Baltic States. South of the front it will be unseasonably cool in France, Spain and Portugal, However, Spain will have abundant sunshine. Italy and western Greece will have occasional thunder shows Eastern Greece, Turkey and Cyprus will be sunny. Scandinavia have sunny spells but east of the Norwegian mountains it will be cloudy

## Five-day forecast

A frontal system will move slowly north-east, bringing more rain to central, eastern and southern Europe. Depressions over the Atlantic will increase their influence over western Europe later this week, resulting in changeable conditions and more norma temperatures. High pressure will produce abundant sunshine and higher temperatures in the Mediterranean.

## TODAY'S TEMPERATURES

Accra Algiers Amsterd Athens Atlanta B. Aires B.ham Bangkok Barcelon

Lufthansa

Caraces Cardifi Casabla Chicego Cologne Delcar Dallas Delhi Dubai Dublin Dubrovn No other airline flies to more cities in

Frankturt Geneva Gibratiar Glasgow Hamburg Heisinki Hong Kor Honolulu Istanbul Jalgarta Jersey Karachi Kuwalt L. Angeles

thund rain fair fair fair fair fair fair cloudy fair sun fair sun fair fair fair Las Pain Lima Lisbon London Lux.bour Lyon

Reykjavík řílo Rome S. Frisco Seoul Stockholn Strasboum Sydney Tangier Tel Aviv Tokyto Toronto Vancouver Venice Venice Venice Washington Willinipeg Zurich cloudy thund sun shower cloudy fair thund shower lair lair cloudy rain fair shower fair fair cloudy shower

صكدا من الاجل



Mexican

in first

quarter

By Leslie Crawford in Mexico City

banks slip

Banamex and Bancomer.

Mexico'e two largest banks,

reported a sharp fall in profits

for the first quarter of 1995. However, analysts welcomed

their decision to make befty pro-

visions against loan losses and strengthen their capitalisation

The results were better than

#### IN BRIEF

No. of the last of

# **US** chemicals see strong first term

Net earnings at DuPout, the US chemicals group, shot up to \$959m from \$642m in the first quarter to March 31 as the company continued to reap the benefits of lower costs and strong cyclical growth in demand for its products.
Union Carbide benefited from the same trends

raising first quarter net income to \$230m from \$63m on the back of bigger volumes and higher prices for its products. Page 26

SSAB shares surge after record forecast Shares in SSAB, Scandinavia's biggest steel producer, soared nearly 5 per cent after the Swedish group more than doubled profits in the first quarter and said it should easily beat last year's record profit over the full year. Page 22

Barito Pacific hit by falling plywood prices Barito Pacific, the world's largest producer of tropi-cal hardwood plywood saw its consolidated net income in 1994 tumble by more than 50 per cent on the year earlier. Page 24

Margins squeezed at US oil groups US oil companies' first-quarter results showed a pattern of weak refining margins, as crude prices rose faster than product prices, especially in North America. However, there were good results from upstream activities and petrochemicals. The warm winter weather in North America and Europe hit sales of heating oil and gas. In the US, natural gas prices fell 35 per cent, according to Mohil. Page 25

USX earnings fail disappoints market Rising operating costs linked to planned shutdowns at three blast furnaces trimmed first-quarter earnings at USX Corporation's US Steel Group to \$74m, or 89 cents a share, far below market expectations of profits of about \$1 a share. Page 25

Broadcast body clears Packer purchases The Australian Broadcasting Authority has decided that recent purchases by Mr Kerry Packer, the Australian media proprietor, of shares in John Fairfax, the newspaper publisher, did not breach the control provisions of the Broadcasting Services Act.

Bowater renamed Rexam to end confusion From next month, the paper and packaging group Bowater will be known as Rexam. The change is being made to end confusion with Bowater Inc of the US, a separate newsprint and pulp company.

Williams makes \$48m US purchase Williams Holdings, the diversified industrial group, is acquiring the fire protection products and systems division of Figgie International, the US group, for \$48m in cash. Page 27

Japan Nuclear Fuel

AEG Electrocom

**Abbey National** 

American Express

Amoco	25	Maple Leaf Foods	
Asarco	26	McKechnle	
Ascom	26	Metrose Energy	
Asea Brown Boveri	7	Merck AG	
Ashland	25		
Assoc British Foods	28		
Astra Int'i	24	1	
Austrian Nat. Bank	22		
SP Chemicals	26		
BT	20		
	21		
Banamex	21	m	
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Barito Pacific		CCAC	
Berisford Intl	28		
Boeing	21	Saga Petroleum	
Bowater	27	Statoil	
Cameco	26	Stalco	
Carrefour	7	Suzuki	
Case	22		-
Cray Electronics	27		
Dailywin	28, 7	Telecom Finland	
Deutsche Telekom	2	Texaco	
DuPont	26	US Steel	
ES .	27	USX Corporation	
Exxon	25	Union Carbide	
Fairfax	24	United Technologies	
Fameli Electronics			
Figgie Fire	27	Wal-Mart	
Fokker	7	Walt Disney Westinghouse	
	,	Williams	
Gezprom		Wimpey	
Goodman Fielder	20	Wintershall	
Hillsdown		Will Colored	
Market Statistic	cs	<u> </u>	
&Annual reports service	32-33	FT-SE Actuaries Indices	
Beenhaut Cout hands	30	Foreign exchange	

Barrel month months 3	2-33	FT-SE Actuaries Indices	38
WARREN John (2) Box 1900	30	Foreign exchange	31
Benchmark Govt bonds	30	60ts prices	. 30
Bond futures and options	30	London shere service	32-33
Bond prices and yields	29	Managed funds service	34-36
Commodities prices	27	Money markets	31
Dividends announced, UK	_	New inti bond issues	36
EMS currency rates	31		38-39
Eurobond prices	30	New York share service	36
Fixed interest indices	30	Recent Issues, UK	31
FT-A World Indices Back	Page	Short-term int rates	30
FT Gold Mines Index	36	US Interest rates	_
FT/ISMA Infl bond svc	30	World Stock Markets	37

By David Wighton in London US industries, the group of US-based manufacturing compa-nies being demerged from Han-son, will be required to hold its board meetings in London for the next five years to allow Hanson shareholders to receive USI shares free of tax.

In a move seen as setting an important precedent, the UK Inland Revenue has agreed USI can have dual US/UK residence if it "will continue to be centrally managed and controlled in the United Kingdom for a period of at least five years". If USI were treated as a solely US resident company UK Hanson shareholders would have faced income tax on the distribution of

Although USI has some UK operations and will have a London head office it is overwhelmingly a US business. The Revenue said it could not comment on particular cases but added that it tried to show "flexibility" in unusual situations".

The demerger, orchestrated by N.M. Rothschild, is also unusual in that USI will pay Hanson \$1.35bn from a new \$1.65bn bank facility leaving it with about 400 per cent gearing.
In a filing with the US Securi-

ties and Exchange Commission Hanson warns that USI's free cashflow after capital expenditure is expected to satisfy only 25 per cent of its debt amortization requirements during its first two years. The remainder will have to be met by disposals.

USI's operating income for that six months to March 31 fell by \$2m to about \$100m, due partly to poor Christmas trading at its Ertl toys and Tommy Armour golf clubs companies. Net income fell by \$7.7m after its \$5.7m share of

owns 48 per cent.

Analysts expect heavy selling
of USI shares by UK investors once they start trading and to give the share price time to settle down USI will have a "poison

Mr David Clarke, the chief executive office of Hanson's US arm who is leaving to head USI, will receive \$9m worth of options

Boeing, the US aircraft maker, yesterday reported a fall in net earnings to \$181m from \$292m in the first quarter as it continued to suffer from a worldwide down-turn in commercial aircraft

The fall was less severe than the market had feared. Analysts bad forecast that earnings per share would be cut by half to 43 cents from 86 cents last time. Instead, Boeing reported earnings per share of 53 cents.

The shares, bowever, were \$1/4 lower at \$55% in early trading after Boeing explained that the numbers were skewed in the quarter's favour by the timing of customers' delivery require-

**Takeover** 

**UK** home

loan sector

Abbey National, the British

home loans and banking group, surprised the UK building societ-

ies sector yesterday, with an announcement that it was seek-

ing takeover talks with National

& Provincial, the ninth largest

building society.

The statement, made without

any prior notice to the N&P

board, appears to be the nearest

approach yet to a bostile bid for

It follows two other big

reatructuring moves in the industry - the planned takeover

of the Cheltenham & Gloncester

by Lloyds Bank and the proposed

merger between the Halifax and

Leeds Permanent. Societies are

mutually owned and concentrate

on loans for house purchases
If the two societies did come

together they would create a

retail bank larger than the

planned enlarged Halifax with

total assets of more than £100bn (\$162hn). At the end of 1994,

Abbey had assets of £94hn and

N&P's board will meet tomor-

row before the annual meeting,

response then. Abbey's state-

ment has inevitably put pressure on directors to set out to mem-

bers their approach to a possible

Mr John Pry, Abbey's deputy chairman, said the bank had no

desire to upset the N&P board,

though he acknowledged that

the issuing of the statement was

"less than ideal" in terms of

relations between the two organ-

As mutually-owned operations,

societies are accountable to their

millions of savers and borrowers

and are not responsible to a sep-arate class of shareholders.

Hostile bids in the sector are

unknown because boards of

directors are not obliged to put

offers in front of societies' mem-

bers, and an ontside organisa-

tion cannot approach members

Abbey - the UK's second largest mortgage lender - based yesterday's statement on the need to

clarify its position after weekend

press reports that in 1993 it bad had talks with N&P and been rejected. It said it believed that

combining the two organisations

would make strategic sense.

It said that if the merger went

ahead it would be able to offer

N&P's 2m-plus members "a sub-

stantial premium to net asset

N&P has been a consistent sub-

ject of merger speculation since its plans to combine with Leeds

Permanent broke down about 18

By Allson Smith in London

By Richard Tomkins in New York Demand for commercial aircraft declines but fall in net earnings is not as severe as feared

ments. Deliveries had "substan-tially exceeded" the rate at which aircraft were being built, Boeing the full year would fall from 270 air-

\$5bn. reflecting a fall in commercial jet transport deliveries from 82 to 59 in the comparable quar-

Within the total, commercial aircraft sales fell from \$5.2bn to \$3.7bn but the defence and epace side of the business did better. increasing sales from \$1bn to

Mr Frank Shrontz, chairman

craft in 1994 to 230. Total sales were expected to be in the \$20bn to \$21bn range, down from \$22hn last year. Boeing also warned that a spe-cial retirement incentive plan aimed at securing voluntary cuts in the workforce would result in a blg one-time charge to earnings in the second quarter because it would increase the

retirement plan's actuarial liabil-

finance director, said the direc-

tors now felt the group was

finally well positioned for the

Mr John Georges, has been build-

ing up its non-wovens and distri-

bution divisions in recent years

as part of its strategy to have

speciality husinesses that offset

ts distribution revenues are

about \$4.5bn worldwide, with

Lall but \$500m coming from

North American markats. Starting in 1989, it acquired sev-

eral regional distribution busl-

nesses in the US, with a view to

Now it aims to do the same in

Europe. It acquired four distribu-

tion businesses in France and

Holland with Its 1989 takeover of

Aussedat Rey in France and

would get the dominant Swiss

market supplier, Mühlebach, with a minor presence in Ger-

many through Holvis. That

would still leave it well behind

the European market leaders,

Arjo-Wiggins and the VRG divi-

sion of Dutch paper group KNP.
IP is also playing catch-up in non-wovens. its non-woven sales

are worth roughly \$300m a year,

ranking it seventh in a \$5bn

world market. The Holvis acquisition would double its size and

catapult it into fourth position

in European markets.

speciality products.

with a much strengthened stake

vice-president responsible for IP's

For Mercury Asset Management, the IP bid is a relatively pleasant end to a long and often

painful story. The big UK fund

manager first acquired a substan-

"It would also put us in a better position to address Asian markets," says Mr Milan Turk,

creating a national network.

the pulp and paper cycle.

IP, under the chairmanship of

month, is being offered to about 13,000 Boeing workers in the hope that about 7,000 accept. Boeing said that if this target were achieved, there would be a non-casb charge of between \$350m-\$400m in the second quar-

Mr Shrontz said be was encouraged by favourable market trends in the commercial airline industry, largely driven by worldwide

economic conditions.

The trends included airline passenger growth rates, higher load factors and the improving finanBOEING COMMERCIAL JET DELIVERIES Source: company

A key part of the company's strategy to prepare for the mar-ket opportunities was to achieve big increases in productivity. Mr

Shrontz said.
The planned workforce reductions, intended to be achieved by the end of the year, were in line

#### expected, given the turmoil in Mexico's financial markets after the devaluation of the peso in

ratios.

December. Banamex, Mexico's largest bank with 20 per cent of the deposit market share, reported after-tax earnings of 444m pesos (\$74m) for the first three months, a 35 per cent fall compared with

the 686m peso profit recorded in the first quarter of 1994. "Our results were affected by the slump in economic activity and the significant rise in both nominal and real interest rates. This has hit the quality of our loan portfolio and required the creation of additional reserves,"

Banamex said yesterday. Banamex set aside 3.43bn pesos against past-due loans in the first quarter of 1995, which increased its loan-loss provisions to 70.9 per cent of past-dne loans, against 50.1 per cent at the end of December.

Its capitalisation ratio stood at 10.9 per cent of risk-weighted assets, well above the 8 per cent minimum required by the cen-

Bancomer, the second-largest bank, reported after-tax profits of 227.6m pesos in the first quarter of 1995, against 368,4m pesos in the first quarter 1994. It cre-ated additional reserves of 1.58bn pesos, which has raised its provisions against bad loans to 61.8 per cent of its non-performing assets. Its capitalisation ratio stands at 9.01 per cent.

Since the devaluation of the peso, nominal interest rates have risen four-fold, which in turn bave caused an avalanche of loan defaults that threaten the solvency of the banking system. According to the National Banking Commission, non-performing loans increased 45 per cent in the first three months of the year and total 80bn pesos, or 15 per cent of the banking sys-

Nevertbeless, financial analysts believe Mexico's two largest banks are well positioned to benefit from the economic cri-

Mexican peso contract, Page 26

# Boeing falls on orders downturn

Group sales fell from \$6.3bn to

# The plan, announced last cial health of the industry. Ian Rodger reports on International Paper's offer for Holvis

# talk shakes A foreign foray into Swiss territory

future.

Swiss companies have led the way in continental Europe recently in becom
Yesterday, Mr Rudolf Wenger, ing more investor friendly and in removing restrictions on foreigners holding and voting their

It was, therefore, only a matter of time before a foreign company would come along and make an unsolicited bid for a Swiss one. Yesterday, International Paper unveiled a SFr385m (\$338m) bid for Holvis, a struggling maker of

non-wovens and distributor of stationery and office supplies. But those looking for a decisive test of Swiss willingness to be truly open to foreign ownership and control will be disappointed. For one thing, this bid looks such a satisfactory arrangement for all parties that it is unlikely to raise any controversy. IP said it did not see itself as an unfriendly bidder, and Holvis did

Moreover, Holvis is not a large or important enough company to and will decide a formal rouse Swiss nationalistic sentiment in a way that, say, a bid for foods giant Nestlé or for the pharmaceuticals and chemicals group Ciba-Geigy might.

not say that the price offered was

But the bid is nevertheless a reminder of a more bracing climate to come. A takeover code is set to come into effect in Switzerland next year which will at last make redundant the lingering voting restrictions retained by many companies as a protection against surprise hostile bids.

For Holvis directors, the near certainty of being taken over brings an end to a difficult fiveyear struggle to transform the group's prospects. In 1990, faced with stagnating sales and margins in its traditional paper business, the group decided to develop its then modest presence in non-wovens, the fabrics used in napples, feminine napkins and

sposable medical garments. It acquired five companies in the US and Sweden in short order. However, the promise of this sector soon turned sour as a price war among nappy makers and excessive capacity expansion forced down the prices of non-wo-

Holvis then aimed to specialise in higher value added products for medical use, but faced teething problems introducing new plant in the US.

Sales sagged from SFr832m In 1991 to SFr885.7m last year and

the group tumbled into a SFr9.2m Last year, directors bickered

tial stake in Holzstoff, as it was then, in 1987. In 1992, when Holz-stoff first disclosed large shareholdings, it became known that two MAM-controlled funds held

MAM kept in close contact with the board but became disenchanted when the shift from paper into non-wovens did not bring results and group management did not seem up to the situation. Holvis sharee peaked at SFr702 in 1979 and have drifted more or less steadily down since then to a recent low of SFr330.

Thanks to the rise of the Swiss franc against sterling over this period, particularly in the past few months, MAM probably gets



Under John Georges, IP has sought to offset the pulp and paper cycle

out of its big position without damage, and with the hope that the Holvis businesses might fare better under IP management.

There is always a possibility that someone with other plans will come along with a better

offered SFr435 per share, which is an extreme premium to the mar-ket." Mr Turk said.

And with its irrevocable option to buy MAM's 25 per cent block at its bid price, IP is in a position offer. IP would not say whether its offer was final. "This is bow we value the company. We have

to make life difficult for any Lex. Page 20; Forestry stocks lifted, Page 45

tem's total loan portfolio.

On the third MBO attempt, in July 1994, the three separate

of the Dolland & Aftchison Group, Europe's leading everage business, found the key to their £117 million deal in CAC's European expertise.

6 We knew we had to talk to people with a true European presence. There are a lot of aspirants in the venture capital industry who like to think of themselves as European, but CVC actually have local people on the ground in key European countries. 🖫

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Dual residence gives Hanson shareholders USI tax saving

losses at Smith Corona, the type-writer manufacturer of which it

pill" protection from takeover for its first 90 days.

in the new company.

#### INTERNATIONAL COMPANIES AND FINANCE

# SSAB shares surge after forecast of record profits

By Christopher Brown-Humes in Stockhalm

Shares in SSAB, Scandinavia's biggest steel producer, soared nearly 5 per cent yesterday after the Swedish group more than doubled profits in the first quarter and said it should easily beat last year's record profit over the full year.

Pre-tax profits reached SKr1.17bn (\$157m), nearly 40 per cent ahead of average market forecasts and more than double the SKr488m achieved in the same 1994 period. SSAB's A shares closed at SKr325, up SKr15.

Surging volumes and prices in Europe's buoyant steel market were the main reason for the upturn. But the company also benefited from the weaker

Aker, the Norwegian cement, building materials and oil and

technology group, is seeking

up to NKr700m (\$112.63m) from

Conoco Norway, a subsidiary of Du Pont, the US chemicals

group, covering cost overruns

on the Heidrun concrete float-

was built for Conoco by Norwe-

gian Contractors, an Aker sub-

sidiary. Aker says the platform

which it will deliver to the oil

Kuoni Travel, Europe's

third-largest travel group, has

offered investors an opportu-

nity to participate in an inter-

national equity offering by a

Swiss company. SBC and UBS jointly placed 81,000 registered shares follow-

ing the buy-back by the Kuoni-

Hugentobler Foundation and a

consortium of investors of a

50.1 per cent stake in the

group's share capital from Ger-

man retailer Kaufhof a month

platform substructure

company on May 10 bears little ment, the claim resemblance to the facility arbitration in 1996,

ing production platform.

By Karen Fossii

dollar, which has eased the impact of higher coal and iron ore prices on its raw material purchasing costs.

Revenues jumped 36 per cent to SKr4.84bn and operating profit climbed to SKr1.10bn from SKr497m.

SSAB said west European steel consumption, which rose 9 per cent last year, had continued to grow in the first quarter, with a knock-on impact on prices. It calculated that steel prices were 4 per cent higher in the period than in the final quarter of 1994 and 16 per cent higher than in the first three months of last year.

The group has also benefited from a big rise in demand in the Swedish market, due to the healthy state of the country's

Aker seeks platform payment

which was intended to be built.

changes to the platform's spec-ifications midway during the

project, according to Aker,

which caused costs to escalate.

During 1992-94 Aker charged accounts with NKr1.2bn in

additional costs incurred by

the project which it believes

should be shared by Conoco. Mr Frode Geitvik, an Aker

spokesman, expressed confi-

dence the claim could be set-

tled out of court but Mr Tom

Ruud, Aker chief executive.

earlier said that failing a settle-

ment, the claim could go to

Kuoni in international equity offer

written by SBC and UBS and

placed within hours of its

launch last Wednesday, follow-

ing strong demand from UK,

French and Swiss institutional

includes the two lead manag-

ers, held 100,000 shares, of

which it has sold \$1,000. The

shares were placed at SFr1.850

a share and trade around

SFr1,860. The remaining 19,000

shares will stay with the con-

sortium pending placement

with strategic investors.

The consortium, which

investors.

Conoco made substantial

Profits from the biggest divi-sion, Tunnplat steel plate, rose to SKr640m from SKr276m after sales increased to SKr2.6hn from SKr1.93hn. SSAB recently announced plans to invest SKr1.65bn on

developing its plate operations.

The main project will be a new

rolling mill at its Oxelosund

Mr Leif Gustafsson, SSAB president, said the group's fullyear profit should be "significantly better" than last year's record SKr2.14bn.

He said prices had continued to rise in the second quarter. but noted that the company's performance would be affected by the relocation of a blast furnace, leading to a longer-thannormal break in summer pro-duction.

Mr Oeyvind Kvall, a Conoco

day he was confident the dis-

pute could be resolved outside

The Heidrum field concrete

floating tension leg platform is the first of its kind built for the

petroleum industry. The plat-

form is due to be installed on

June 26 and the field is sched-

uled to start producing in

August. Heidrun is expected to

reach plateau output of 220,000

barrels of oil a day before 1996.

Total costs of the develop-

The buy-back of the Kaufhor

shares and their ensuing wider

distribution has met Kuoni's

aim of making its shares more

The transaction followe a

recent overhaul of Kuoni's cap-

ital structure. Kuoni's shares

had previously traded at

around SFr36,000, making them inaccessible for smaller

investors. A one-for-20 stock

split was undertaken to reduce

the price to more affordable

levels, and the bearer shares

were converted into registered

liquid and widely traded.

the courts.

over budget.

away customers. "If we were to loosen our Norway executive, said yester-

> Foreign investors and port folio managers would flee Austrian markets if they sensed a softening of monetary policy. She said the hank's decision nearly two decades ago to tie the schilling to the D-Mark proved its worth at diffi-

## ment are estimated at NKr25.2bn, nearly NKr3bn

of American Express, the US financial group, said his goal for the company was 12-15 per cent growth in annual earnings per share, and 18-20 per cent growth in annual return on equity, Reuter reports from

Mr Golub told shareholders at the company's annual meeting in New York be wanted 66 per cent of the company's profits to come from revenue growth, compared with 50 per cent in 1994.

of the company's stock had been repurchased under the company's bny-back plan.

# Austrian **National Bank lifts**

The Austrian National Bank lifted net profit last year to Sch10.1bn (\$1.05bn) last year from Sch9.73bn in the previous 12 months, Reuter reports from Vienna.

profits

Ms Maria Schaumayer, the central bank president, said transfers to the government would rise to Sch6.05bn from

The schilling moves in a narrow 0.1 per cent band against the D-Mark and this year has appreciated strongly, along-side the D-Mark. However, Austria's struggling tourism industry and some exporters have complained that its strength is destroying their competitiveness and driving

ties to the D-Mark, this wouldn't help anyone but it she said. "It would lead to an increase in our import prices, higher energy costs and personnel costs and thet would burt the tourism industry and our exporters."

### Amexco sets out growth target

Mr Harvey Golnb, the chairman and chief executive

New York

By last month, 17m shares

# Case ready to reap richer harvest

The US tractor group has transformed its financial performance

r Jean-Pierre Rosso. president and chief executive of Case, the hig US tractors and construction equipment producer, is ready for the next recession. "We'd like to prove that all we've said about our restructuring is true," he says. "But I am not anxious for another down cycle."

After years of seemingly per-manent crisis at Case, Mr Rosso - who joined the com-pany from Honeywell last April - wants to make hav while the sun shines.

The Wisconsin-hased company may be one of the heavy equipment industry's most amous names, but its recent history yields a rich crop of corporate disaster stories on both sides of the Atlantic. In 1985, Case swallowed up

most of the agricultural equipment operations of the old International Harvester group, which had become a byword for the decline of traditional US heavy industry. In France, Case Poclain, the

hydraulic excavator producer in which Case first took a stake in 1977, has been e big headache. In 1992, with closure looming. Case had to lead a FFr1.2bn (\$246m) rescue of the company, in which it recently increased its stake to 100 per

The struggle to come to terms with the reality of the industry's overcapecity, cut-throat pricing and mature markets has made Case a constant target of industry speculation questioning its commitment to farm equipment, construction equipment - or

Few were surprised last summer when Tenneco, the diversified US industrial company which owned Case, announced an initial public offering for the unit. Following a secondary offering in November, Tenneco retains 44 per cent.

But now, says Mr Rosso, there are no more rumours. "Our customers realise that we are in both businesses for the Case has turned itself round

through two big hits: a \$461m restructuring announced in 1991 and aimed mainly at reducing costs, and a \$920m three-year programme, which began in March 1993 and was focused on running the



company more profitably. The programme reflected a realisation that it was time for a new business logic, says Mr Rosso. Case needed to reduce its overcapacity in line with trends in the market, and cut its fixed costs by outsourcing more components.

That meant tough decisions such as moving from two fullyintegrated European tractor plants - Neuss in Germany and Doncaster in the US - to one assembly plant at Doncas-

Share price (5)

24,000 at the end of 1992 to 16,000, and will fall to 11,000 in 1997 if revenues stay where

However, with the recession over, revenues are rising and Case's financial performance has been transformed. In 1994. sales rose 14 per cent to \$4.3bn producing a net profit of \$165m, before accounting changes and extraordinary items. That compared with a loss of \$1.33bn in 1992.

The turnround was a remarkable achievement, says Mr Rosso - Case can generate positive cash flow in a downturn, and raise earnings when revenues are flat

ter and a transmission plant et St Dizier, France. The Neuss plant will close next year. Case also had to learn to price its products for value rather than simply to increase market share, he says. This pricing discipline led to market share losses in the US, especially in 1992, but contributed to the turnround.

Other important changes included a move to independent distribution, with some exceptions, and combining the agricultural and construction equipment operations to remove duplication.

When the restructuring is complete in early 1987, Case will be making annual savings of \$500m. and will have reduced its break-even point by 46 per cent, says Mr Rosso. Employment is down from

The momentum has continned this year, and last week Case announced a 57 per cent rise in first-quarter operating profits, to \$107m from \$68m. changes was \$70m, or 96 cents a share, compared with \$33m. or 44 cents, a year earlier, as sales rose 14 per cent to

The turnround, says Mr. Rosso, was a remarkable achievement. The company can now generate positive cashflow in a downturn, and can raise earnings even when revenues are flat, he says. Re-engineering to reduce working capital and cut administration" costs will continue, but the retrenchment is all but over.

The only element missing . when be joined the company. says Mr Rosso, was a plan for

growth. Over the two months before the IPO, he took charge of putting together a strategy to show that Case was more than a mere recovery stock A \$745m, four-year programme to step up new product development began last year, split roughly in line with revenues - 60 per cent for agricultural equipment and the remainder for construction

equipment. Developing markets are also being targeted. Mr Rosso aims to lift sales outside North America and western Europe from 10 per cent of turnover to 20 per cent over the next five

In agricultural equipment, Brazil and Argentina are seen as ideal markets for the larger tractors which Case produces, but Russia and the central Asian republics represent a long-term opportunity, which

would involve joint ventures. în construction equipment, the fast-growing Asia-Pacific market is the main target. Case is looking at joint ventures in China, where Mr Rosso says the western construction equipment industry is still only scratching at the surface. Expanded distribution is planned for other Asian

There is still potential growth in western markets, he says. He would like Case to have a stronger presence in Germany, Europe's largest construction equipment market and one where Poclain's position has weakened.

The expansion in developing markets is important because it will help offset the effects of the next downturn in the west, says Mr Rosso. That fortunately, looks some way off. even if there are signs of a downturn in the US housing market, which would affect construction equipment sales.

The longer Case can con-tinoe generating cash and paring away at administrative costs, the better it will be. The flotation left it with a 58 per cent debt-to-capital ratio, which is higher than average for the industry.

Mr Rosso wants to cut that by 8-10 percentage points a year to below 40 per cent as quickly as possible, reducing

**Andrew Baxter** 

# The Suez options to beat the recession.

# Versatility

uccessfully making important decisions when circumstances dictate. And successfully refocusing and clearing dehts, as Groupe Suez has been doing over the past four years to cope with the downturn in the market after years of growth and acquisition. And successfully taking radical options to handle the economic blacklash of the real estate recession in 1994 to prevent the Group's performance from being weighed down by the past.

# Investment

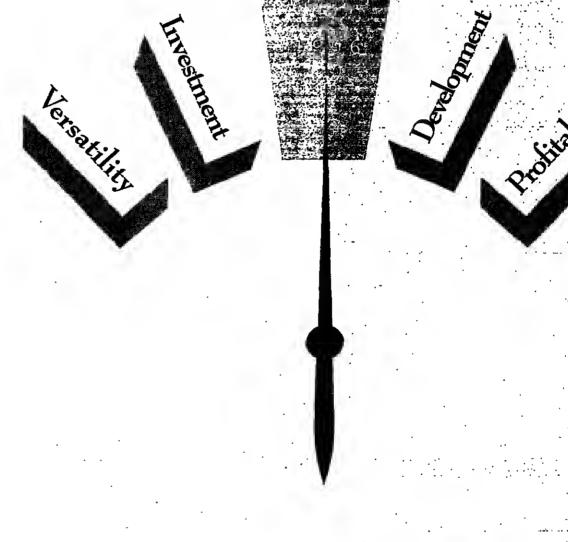
hoosing how to utilize resources in order to consolidate and expand the Group's business and strengthen its expertise. Investing in 1994 meant developing fully - owned subsidiaries such as Banque Indosucz. Or increasing investment in other subsidiaries and holdings such as Société Générale de Belgique, Generale Bank, Fimagest and Lyonnaise des Eaux. Even entering into new commitments with new partners like the Sagem group.

# Development

Vinning new markets and satisfying new customers. As achieved by Banque Indosucz, which is expanding its network in Asia and has arranged financing for the Korean bigh-speed train. Likewise by Generale Bank, which signed a new agreement with the Belgian Post Office, by Tractebel which took over Distrigaz, by Union Minière which opened a new copper refinery in Olen.

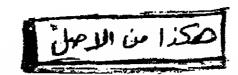
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Ltd. (HHEE) handles production of televisions and other consumer electronics products.

Hitachi's role as a committed corporate citizen extends into other areas as well. We actively support cultural events and community activities, and protecting the natural environment is another continuing priority. We have, for example, implemented rigorous environmental

Rigorous quality control underpins the reliability of HICEF's computer products.



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technical capabilities to develop and
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## INTERNATIONAL COMPANIES AND FINANCE

# Packer cleared on Fairfax holding

By Nikki Tait in Sydney

Mr Kerry Packer's recent purchases of shares in John Fairfax, the newspaper publisher, did not breach the control provisions of the Broadcasting Services Act, according to a long-awaited report from the Australian Broadcasting

However, in its report, published yesterday, the ABA said it would continue to monitor 'closely" the situation – which leaves Mr Packer, the Australian media proprietor, with a fully-diloted 17.17 per cent interest in Fairfax.

"It is clear...that no breaches of the Act have occured," said Mr Peter Webb,

as investigating the level of company interests, we have explored several allegations of control of Fairfax. The allegations have not been subst-

However, Mr Michael Lee, federal communications minister, said the ABA ruling, "relates only to the position that applies at the moment". "If there is any significant

change in the circumstances at Fairfax, the ABA will use its extensive powers to enforce the operation of the cross media rules", he said. "That should serve as a clear warning to anyone seeking to undermine the cross media rules".

There was no immediate comment from either Fairfax

Under current rules, anyone with a commercial TV licence cannot own more than a 15 per cent interest in a newspaper circulating in the same geographical area, unless they can prove that they do not exercise

Mr Packer, who owns the leading Nine Network television station, has held a 14.9 per cent interest in Fairfax for some time through his private Consolidated Press group and listed Publishing and Broadcasting company, partly in the form of convertible notes. He started to buy additional

not control Fairfax, which publishes the leading quality newspapers in Melbourne and Sydney, and could justifiably go to 24.8 per cent.

This would be just below the 24.9 per cent owned by Mr Conrad Black, the Canadian publisher, who also has board seats at Fairfax.

The legal arguments were overtaken by a political storm when Mr Packer declared on television that he would like to own Fairfax, and praised Mr John Howard, the federal opposition leader. Mr Paul Keating, prime minister, countered by accusing Mr Packer of precipit-ating the Fairfax situation because of his frustrations on the pay-TV front.

would review the final in the light of the year's earnings.

Mr Clarke indicated that Goodman might join the list of companies interested in acquir-ing some of the food interests of Pecific Dunlop. PacDun's

# Kao to lift payout as sales advance

By Emiko Terazono in Tokyo

Kao, the Japanese maker of household goods maker, posted a rise in sales and profits, and announced it would raise its dividend for the second consecutive year.

Unconsolidated recurring profits for the year ended March rose 6 per cent to Y52hn (\$627m). The company posted a record current earnings figure for the 14th consecutive year, thanks to a Y22.4bn decline in interest bearing debt and a Yl.Abn fall in foreign exchange losses.

Firm sales in industrial products propped up overall revenues by 2.4 per cent to Y654.8bn. After tax profits gained 5.4 per cent to Y25.9bn. The company said its mainstay detergent sales were bet-

ter than expected and laundry and cleaning products sales rose 3 per cent to Y258.4bm. However, shampoos and cosmetics suffered from competi-tion, and sales of Kao's personal care division fell 1.6 per cent to Y225.3bn.

The company will increase its annual dividend to Y12 per share from Y11. Consolidated current profits rose 3.3 per cent to Y48.6bn on a 3 per cent increase in sales to Y796.7hm.

# Barito Pacific income hit by falling plywood prices

largest producer of tropical hardwood plywood saw its consolidated net income in per cent on the year earlier. The sharp decline followed a drop in world plywood prices, weakening demand in Japan and China and increasing competition from Malaysian

producers. But Barito Pacific said it was confident that "1995 will be a better year" because the Japanese market showed siens of

picking up and plywood prices had recovered.

Net income last year totalled Barito Pacific, the world's Rp147.2bm (\$70m), a drop of 52.55 per cent, compared with 1993's figure while revenues from the timber operations fell by nearly 12 per cent to

> by higher reforestation and forest contribution fees. In addition, a two-mouth delay last year in the renewal of its annual cutting permits pushed up expenses, forcing Barito to huy fimber from other logging.

Barito said it intended to-

diversify its product base and improve quality to counter growing competition and ensure continued growth. Its strategy includes a plan to start producing 40,000 cu metres of laminated particle boards in the fourth quarter of

The company is also negotiating a \$1bn financing package for a pulp and paper plant which will be built through a joint venture with Japanese companies, including The Overseas Co-operation Fund, Marubeni and Nippon Paper. The plant is scheduled to come

# Goodman Fielder warns of slide in earnings

Goodman Fielder, Australia's largest food group, yesterday warned that operating profit for the current year, before abnormals, could slide by more than 10 per cent.

In the year to end-June 1994, the company made A\$168.9m (US\$123.83m) before tax, slightly higher than the A\$164.1m recorded for the previous year, on sales of A\$3.7bn.

At the beginning of last month, Goodman suggested the outlook would depend heavily on an improved perfor-mance from the consumer foods and European milling businesses, and that profits would match last year's if these "expected improve-

But Mr Devid Clarke whose appointment as chairman followed institutional pressure for board changes at

yesterday that such developments had not materialised However, he said there had been a continued pick-up in the milling and baking operations and in the ingredi-ents division. "With two months of trading to go, it looks as though the operating profit of the company for the full year hefore abnormals

food division - the second largest food group in Australia after Goodman and said to be worth around A\$850m could be down by more than 10 been put up for sale.

.Internetional. Indonesia's largest carmaker, saw net profit more than double in 1994 but the yea's appreciation is expected to slow profit growth this

Astra, which generates almost 80 per cent of its reve-nues from car sales, said its

Rp182bn a year earlier. It also has interests in financial services and heavy industry.

Astra International profits surge

noted that its automotive division, which makes cars in Indonesia in conjunction with and which controls about 50, per cent of the Indonesian car-market, will be affected by the

up some 55 per cent of its material costs and the company fixes the dollar rate present period ends in July.

Astra's imported goods make

by 1 per cent against the US dollar might increase our costs by 0.55 per cent in our next

per cent," Mr Clarke said.

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# *Allstate*

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April 1995

# Hong Kong plans to lead in interactive multimedia

Hong Kong plans to deliver the world's first full range of intersctive multimedia services. when Hongkong Telecom, the colony's monopoly telecoms provider in which Cable & Wireless has a majority stake, launches its home shopping-toinformation services next year.
The service will start with video-on-demand, now on trial

in 400 homes, and embrace banking, retail, information and community services. Dr William Lo, Hongkong Telecom's director of multime-dia services, said: "It is very likely Hong Kong could be the

first place in the world able to try all these new services.". Wharf Holdings, the con-glomerate which holds the exclusive licence to operate pay-TV in Hong Kong until mid-1996, unveiled plans for interactive services which will start next month with films costing around HK\$20 (US\$2.58) each. Banking and other services will be provided

kong Telecom on developing multimedia applications. include the colony's big three banks - Hongkong and Shang-hai Banking Corporation, Hang Seng Bank and Bank of East Asia – and Chase Manhattan NA and Cittbank NA.

Shops signing up include Hong Kong's two dominant supermarket chains, Park'N Shop and Wellcome, and luxury goods retailer Dickson Concepts: Other partners include the Royal Hong Kong Jockey Club, Tower Records HK, the Hong Kong University of Science and Technology and two pizza delivery chains.

Among the 17 content providers announced yesterday, were Thames International, The Discovery Channel, Asia Business News and Hong Kong's TVB International . . Hongkong Telecom, which loses its monopoly on fixed domestic phone services in July when three new contend

Companies which have ers including Wharf - gain pledged to work with Hong- licences, is spending around licences, is spending around US\$1,200 per subscriber on technology, which is the main capital investment. Given the target of up to 300,000 subscribers in the first two years, this implies an investment of some

The pricing structure for consumers has not yet been finalised, but a monthly rental of around HK\$100 is expected to access the services - and additional fees will be incurred when services are used. Films will cost around HE\$15-HE\$25. Dr Lo believes Hong Kong is

one of the most suitable markets in the world to launch multimedia services. The colony is densely populated, with some 90 per cent of people liv-ing in high-rise blocks, and boasts a high-spending, technologically sophisticated population as well as an open and flexible regulatory system.

Louise Lucas



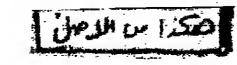
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### INTERNATIONAL COMPANIES AND FINANCE

# Refining margins squeezed at US oil groups

US oil companies' first-quarter results showed a pattern of weak refining margins, as crude prices rose faster than product prices, especially in North America. However, there were good results from upstream activities and petro-chemicals.

chemicals.
The warm winter weather in North America and Europe bit sales of heating oil and gas. In the US, natural gas prices fell 35 per cent, according to Mobil, compared with the first quarter of 1994.

Meanwhile, the introduction

of reformulated petrol in the US on January 1 did not generate the expected demand. As a result, it proved impossible to maintain marketing and refin-ing profits (M&R) in the US. Upstream activities were

aided by a rise in crude oil prices of more than \$3 a barrel over the first quarter of 1994. Mobil said the average US crude price in the period was \$14.28, up \$4.09 on last year's first-quarter price. International crude prices were \$16.65 a barrel on average, a \$2.85 rise on the same period of 1994. The companies with chemi-

benefited from higher demand and rising prices.

Mr Lucio Noto, Mobil chair-

man, summed up the oil sector with: "Petroleum sector market fundamentals coutinue to be volatile and are likely to remain so in the near term." Mobil'a petroleum activities lifted sales volumes by 7 per cent worldwide. Profits, how-

ever, slipped as a rise in exploration and production (E&P) income was more than offset by the fall in downstream prof-Mobil's E&P division boosted

net income 13 per cent to \$377m, with most of the gain coming from international activities, where income rose \$37m to \$295m. In the US, E&P income was up \$5m to \$82m.

M&R profits were hit by the

industry's weak margins. In the US, Mobil's M&R activity broke even, compared with net income of \$61m in the same quarter of 1994. However, M&R. income from outside the US fell by only \$29m, to \$146m, with lower margins somewhat offset by cost reductions in Europe and higher volumes in the Pacific Rim. Its chemicals income jumped

cals businessee - notably to \$174m from \$15m as sales

A leap in Exxon's chemical division net income to \$547m from \$149m and a near doubling of its earnings from min-erals, coal and power, to \$113m from \$58m, more than offset lower earnings from its main-stream oil activities.

were offset by lower natural gas prices. Ontside the US, E&P income rose to \$757m

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from \$590m.
Similarly, Amoco's chemicals division was the main force behind the group's rise in net income. The division lifted earnings to \$233m from \$88m

volumes and margins rose.
The group's E&P profits

to \$87m from \$3m outside North America, which

included \$18m from the sale of

operations in Congo. In the US

and Canada, net income fell to

\$221m from \$284m as Amoco

also felt the effects of lower

Texaco's net income

natural gas prices.

ad, because of a surge

	1995	(\$00) 1994	Net Incom 1995	ne (\$m) 1994	EPS 1995	(9) 199
Mobil*	17,63	15.12	636	535	1.57	1.3
Texaco+	6.06	7.43	301	202	1.10	. 0.6
Execon	29.78	25.96	1.660	1.160	1.33	0.9
Amoco	7.56	6.77	523	398	1,05	0.8
Ashlandt	2.78	2.22	129	33	1.55	0.40

Higher prices and volumes in its best-ever performance, as for chemicals, combined with lower operating costs, produced record quarterly earnings for the division. Copper prices and production rose, lifting that sector's earnings.

Exxon's M&R division remained in profit, although US earnings fell to \$16m from \$39m and international earnings dropped to \$184m from

Its US E&P activity suffered a fall in income, to \$209m from included an \$88m gain, repre-senting the final part of a \$245m, as higher oil prices \$600m programme of non-core

ness lost \$19m, compared with net income of \$78m in the first quarter of 1994. tt reported higher M&R earnings outside the US, up to \$181m from \$125m, but the 1995 quarter included \$80m of the group's \$88m gain on land sales: without that, income was down, reflecting weak margins in

However, Texaco's E&P business lifted net income sharply. In the US it nearly doubled earnings to \$143m from \$75m, while international profits rose 82 per cent to \$82m from \$45m. Ashland, which lacked large scale E&P activity, fell into

losses in its second quarter, to March 31, because of the weakness of North American refining margins. Mr John Hall, chairman and chief executive, blamed the deficit on the second warmest

winter on record and disruption in the market caused by last-minute political decisions on reformulated petrol (RFG). He said: "The introduction of RFG did not go smoothly." Pittsburgh and much of Pennsylvania, markets which Ashland had expected to be good for the cleaner-burning fuel, opted out of the programme.

# rise led by aero-engine division

By Lisa Bransten in New York

United Technologies, the diversified US manufacturing company, reported a 38 per cent increase in first-quarter earnings this year, led by a inmp in operating income from Pratt & Whitney, its aero-engine division.

Although first-quarter sales at Pratt & Whitney increased 10 per cent to \$1.49bn, operating income in the division jumped 49 per cent to \$125m from \$84m for the same period last year. The company attri-buted the improvement in its margins to cost-cutting, productivity gains and higher engine shipments.

The company also posted strong earnings gains in its Carrier unit, which makes air conditioners. Sales for Carrier were 12 per cent higher at \$1.13bn, while operating income increased 61 per cent to \$29m from \$18m last year.

Margins were nearly flat at Otis, which makes lifts. Sales increased just over 12 per cent to \$1.18bn and operating income rose 13 per cent to \$110m. Sales in the automotive division rose 22 per cent to \$750m, while income rose 16 per cent to \$51m.

Sales in the flight systems division, which includes Sikorsky helicopters and the **Hamilton Electronic controls** business, rose modestly to \$813m from \$806m in 1994, while operating income chimbed to \$47m from \$45m.

Net income for the quarter was \$135m, or \$1.03 a share. That is e 38 per cent increase on income for the same period last year, which was 73 cents e share after an accounting change made in connection with the company's employee stock ownership plan. Quarterly revenues rose 12 per cent to \$5,34bn.

Correction

Colgate

Colgate-Palmolive's Asia and Africa division increased sales by 19 per cent in the first quarter. This was incorrectly stated in yesterday's FT.

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Bankers Trust Company, Landon Agent Bank

# Market disappointed by US Steel earnings

to the heart and the mind.

By Laurie Morse in Chicago

Rising operating costs linked to planned shutdowns et three blast furnaces held firstquarter earnings at USX Corporation's US Steel Group to \$74m, or 89 cents a share, far below market expectations of profits of about \$1 a share.

Results for the quarter ended March 31 were better, however, than the company's net loss of \$35m, or 56 cents, in 1994's first First-quarter sales were

\$1.57bm, up from \$1.4bm a year ago. US Steel's shares tumbled \$1% to \$31% in early trading in New York after the earnings announcement. The company said its steelmaking operations ran at 95.5

per cent of raw steel capacity in the first quarter, in spite of the planned blast furnace shut-downs. USX said its US Steel Group would produce 12.5m tons in 1995, about 0.5m tons higher than previously fore-

Mr Charlee Corry, USX chairman, said outlook for the group's steel products continues to be favourable.

Overall, USX Corporation. which includes US Steel and the Marathon and Delhi energy gronps, said first-quarter net income rose to \$154m, or \$1.46 a share, from \$75m, or 68 cents, in the 1994 first quarter, Consolidated sales rose to \$5bn, from \$4.2bn last year.

The company's Marathon Group had income of \$77m, or 26 cents a share, on sales of \$3.3bn. The results included a \$55m favourable after-tax adjustment to inventory

In last year's first quarter the group had net income of \$110m, or 38 cents, including favourable adjustments of \$89m, on sales of \$2.7m.

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# Strong growth overseas lifts 3M in quarter

Minnesota-based 3M reported stronger-than expected firstquarter results, saying new product acceptance and double-digit growth in overseas sales had boosted income.

For the quarter ended March 31, the company, whose primary products include adhesives and magnetic tapes for industrial, consumer, healthcare and traffic safety applications, had net income of \$376m, or 90 cents a share, np 23 per cent from \$306m. or 72 cents, a year earlier. The results included e \$35m.

or 5 cents e share, charge for litigation related to breast implants. 3M said sales rose to \$4bn in the quarter, from \$3.6bn in the 1994 period. Mr L. D. DeSimone, chair-

man, said the company saw volume growth in all main geographic areas abroad.

# **American Brands fall** blamed on disposals

By Richard Tomkins in New York

American Brands, the US consumer goods group, yester-day blamed the disposal of its Franklin Life insurance business and its American Tobacco cigarette subsidiary for a fall in first-quarter net income, to \$116.6m from \$149.2m.

It said that if the businesses sold were treated as discontinned operations, the first quarter would have shown strong growth. Excluding the divested businesses, net income rose 18 per cent

Fully-diluted earnings per share, boosted by stock repurchases, rose 20 per cent to 59 By far the biggest profits

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increase came from UK-based Gallaher Tobacco, which lifted its contribution to operating profits to \$148.8m from \$126.2m. American Brands

said, however, that this resulted partly from distortions to trade buying related to UK bridget announcements, and would not be repeated in the second quarter. The profit contribution from

the distilled spirits division fell to \$35.8m from \$38.4m, mainly because of the impact on Whyte & Mackay of price cuts in own-label rivals in the UK. Jim Beam achieved a 4 per cent increase in contribution, but it benefited from comparison with a quarter when domestic trade inventory levels were cut.

The MasterBrand hardware and home improvement group lifted operating profits from \$48.6m to \$53.4m; the ACCO office supplies division boosted profits to \$22.5m from \$19.4m; and the Titleist and Foot-Joy leisure products division increased profits to \$23.7m from \$21.5m.

# All of these securities having been sold, this advertisement appears as a matter of record only.

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Debenfure and interest thereon will cease to accrue on and after said date. In accordance with the terms and conditions of the Debentures, the right of conversion of any Debenture called for redemption into Common Stock of the Guarantor shall terminate at the close of business on the Redemption Date. The price at which shares of Common Stock of the Guarantor shall be delivered upon conversion shall be \$39,6667 per share. In order to exercise the conversion privilege, the holder of any Debenture to be converted shall surrender such Debenture to one of the addresses listed below, accompanied by written notice to the Gustantor that the Holder elects to convert such Debenture. No payment or adjustment shall be made upon any conversion on account of any interest accrued on the Debenture surrendered for convertion or on account of any dividends on the Common Stock Issued upon conversion. Debentures not converted by the Redemption Date will be redeemed at the Redemption

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By: Esterline International Finance N.V.

Dated: April 18, 1995 "No representation is made as to the correctness of the CUSIP and ISIN numbers either as printed on the Debentures or as contained in this Notice of Redemption.

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DIVIDEND NOTICE

At the Annual General Meeting held on March 30, 1995, it was decided to pay a dividend of US\$ 0.05 (cents) per share on or after April 28, 1995 to shareholders of record on April 6, 1995 and to holders of bearer shares upon presentation of

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Notice is hereby given that the Rate of Interest has been fixed at 6.5625% and that the interest payable on the relevant Interest Payment Date October 25, 1995, against Coupan No. 20 in respect of US\$10,000 nominal of the Nates will be US\$333.59 and in respect of US\$250,000 nominal of the Nates will be US\$8,339.84.

April 25, 1995, Landon By: Citibank, N.A. (Issuer Services), Agent Bank CITIBANCO

U.S. \$400,000,000 & National Westminster Bank Floating Rate Capital Notes 2005

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest Period from April 25, 1995 to October 25, 1995 the Notes will carry an Interest Rate of 6.975% per annum. The Interest payable on the relevant interest payment date, October 25, 1995 against Coupon No. 21 will be U.S. \$324.06.

By: The Chase Manhattan Bank, N.A. London, Agent Bank April 25, 1995

US chemicals groups report strong first term

By Richard Tomkins in New York

Net earnings at Du Pont, the US chemicals group, shot up to \$959m from \$642m in the first quarter to March 31 as the company continued to reap the henefits of lower costs and strong cyclical growth in demand for its products.

Union Carbide, another US chemicals group, also benefited from the same trends, raising first quarter net income to \$230m from \$63m on the back of higger volumes and higher prices for its products.

Earlier this month Du Pont

paid \$8.8bn to buy back 156m of its shares from Seagram, the Canadian drinks group diversifying into the entertainment business. Yesterday Du Pont said this transaction did not affect first-quarter results, but would have a positive effect on future earnings per share. First-quarter sales rose to \$10.5bn from \$9.2bn and earnings per share rose to \$1.40 from 94 cents. But Du Pont said that on a pro forma basis, if the Seagram transaction had taken place at the beginning of the year, earnings per share would have been \$1.65.

Mr Edgar Woolard, chairman, said Du Pont continued to see strong demand in chemicals and specialities and, more recently, higher prices. In addition, the weaker dollar had hoosted overseas earnings.

"This was clearly demon-

strated in Europe and Asia, with earnings from these regions more than double last year's first quarter," Mr Woo-lard said. The petroleum seg-ment, although down, performed "quite well given the difficult industry conditions". Operating profits in the chemicals segment rose by 101 per cent to \$167m, largely because of better results for white pigments and specialty chemicals. In the fibres seg42 per cent, mainly reflecting improvements in aramids, Dacron polyester, nylon and Lycra

Tha polymars segment increased operating profits by 60 per cent to \$235m, with engineering polymers, packaging and industrial polymers, and elastomers continuing to do well: and the diversified businesses segment increased operating profits by 60 per cent to \$237m, largely because of bet-tar results from agricultural products and films.

In contrast, operating profits in the petroleum segment fell hy 13 per cent to \$186m bacause of the worldwide declina in refined product

Union Carbide increased sales from \$1.1bn to \$1.5bn, with overseas sales especially strong during the quarter. Fully diluted earnings per share, boosted by stock repur-chases, rose from 37 cents

# CME sees a brighter future for Mexico in peso contract

hen the Chicago Mer-cantile Exchange begins trading Mexican peso futures today, the world's foreign exchange trading community will be watch-ing closely. If the contract is successful, bank executives say, it will build liquidity in the spot market for pesos and bolster lagging confidence in

Mexican investments.

"This is e first step in getting forward market established for the Mexican peso," says Ms Jamie Thorsen, managing director of US foreign exchange trading for the Bank of Montreal. Mexico's central bank, through a series of regulations, has in effect prohibited banks from erranging long-term contracts for peso

Such "forward" contracting is common for most of the world's currencies, and is widely used by corporate treasurers and others to manage currency risk. The absence of a forward market is widely believed to have contributed to the velocity of the peso's free-fall between December and March, when it lost nearly 50 per cent of its value against the US dollar.

Although the peso would still have declined, "it would have been a calmer process and taken longer", had there been a way to manage peso exposure over e longer period. says Mr Ramon Uribarri. vice-president for foreign exchange institutional marketing at First National Bank of Chicago.

The currency needs a forward market, says Laurie Morse

Mr Uribarri says that a liq-uid forward market in pesos would have exposed the currency's weakness long before the spot markat crisis, and served as an early warning sys-tem to Mexico's central bankers. "It would have forced reform - they would have had to tighten monetary policy, raise interest rates," he says. In the absence of peso for-

ward contracts, investors bullish on Mexico instead bought Mexican stocks and other securities. As the peso tumbled this year, investors fled the Mexican stock market, adding to the crisis. Now, risk managers note, the CME futures contract will allow corporations and other investors to buy pesos directly.

"The more outlets a corporate treasurer has to manage risk, the more confidence he has, and the less likely he is to panic," says Mr Robert Orescanin, director of emarging markets for the Bank of Montreal. "Both sides of the market can take a more realistic view once a formal market is in

Mexican authorities, who have constrained forward contracts in their currency for fear of losing control over it, will also be watching the peso experiment at the CME. They geve the exchange special exemptions from the forward trading rules last month, reversing a ruling that shut down a similar CME peso futures contract a decade ago.

The Mexican government is under pressure from Mexican businesses to set an exchange rate regime that offers less uncertainty than the existing free float. The government, which currently lacks the reserves for any kind of exchange rate peg, hopes the pressure will be lifted by active forward and futures markets which will allow Mexican companies to hedge foreign currency exposures.

The contract has given an unexpected boost to the CME. All of the exchange's futures contracts in other foreign currencles are secondary - some say insignificant - to private hank forward contracting. In the peso's case, the CME will become the primary market for the currency's risk manage-

Nevertheless, success of the new contract depends largely on whether the large Mexican banks can persuade their corporate clients to participate.

There is some confusion in Mexico over who will be allowed to use the contract. seys Mr David Goon, the CME's vice-president of currency and interest rate marketing. He says, however, that the peso's recent recovery will aid

# Asarco upbeat after first-quarter rise

Asarco, the US copper group, said the outlook for the base metel markets was good, adding the supply and demand fundamentals appeared to be favourable for at least two years, Renter reports from New York.

First-quarter profits rose to

\$65.7m, or \$1.56 a common share, from earnings of \$26.6m. or 64 cents, for the first quarter

The year-earlier quarter included a \$31.9m gain on the sale of Asarco's remeining interest in Asarco Australia. The company said earnings

April 1995

improved in the first quarter of 1995 because of higher hese metal prices, lower costs and operating improvements in all

its main businesses. Earnings also benefited from its interest in Southern Peru Copper, which was increased to 63 per cent on April 5.

**NEWS DIGEST** 

INTERNATIONAL COMPANIES AND FINANCE

# E Merck arm lifts earnings 22% to SFr199.7m

Merck AG, the quoted subsidiary of E. Merck, the private German drugs company which plans a public share offering this summer, recorded a 22 per cent increase in net profits for 1994 to SFr199.7m (\$181.5m) from SFr155.4m, writes Daniel Green.

Merck AG was originally set up as a vehicle for E. Merch's non-German businesses and is quoted in Zurich.

Sales in 1994 rose to SFr2.8bn from SFr2.7bn and operating profits increased to SFr368.1m from SFr317.7m.

The dividend of SFr26 per bearer share was unchanged from the previous year. Merck AG is 53 per cent owned by Darms-tadt-based E Merck. The parent company is planning to raise cash on the equity markets to help pay for a series of acquisitions that took it, rather than its subsidiary, into non-German markets.

Those acquisitions included Linha of France and 51 per cent of the capital of Amerpharm, a generic drugs manufacturer controlled from the Netherlands with businesses in several countries, including the UK and Canada.

### Rhone-Poulenc Rorer posts strong growth

Share price (FFr) 150 سىنىسىسىن 100 1994

Rhone-Poulenc Rorer, the US drugs company majority ownad hy French chemicals company Rhône-Poulenc, reported a 17 per cent increase in net profits in the first quarter of 1995, to \$86m from \$74m, writes Daniel Green. The company is the latest of several US-based drugs groups to show strong profits growth after a period of uncertainty sparked by fears of US healthcare reform.

First-quarter sales advanced 14 per cent to \$992m from \$871m, helped by the weak dollar but held back by sales of businesses during

Earnings per share grew 19 per cent to 64 cents. However, adjusted for the currencies, disposals and other charges, underlying growth in earnings per share was 15 per cent.

### **Quebecor Printing puts** expansion on hold

Quebecor Printing, one of the biggest commercial printers in Europe following its acquisi-tion of HunterPrint in the UK and Jean Didier in France, will consolidate this year before embarking on further axpansion, said Mr. Charles Cavell, president, writes Robert

First-quarter revenues from North American and European operations were US\$687m, up 54 per cent from \$445m a year earlier, and include the two hig acquisitions completed late last

The Canadian group's European operations will represent 16 per cent of total 1995 reve-Net profit was \$17.3m, or 17 cents a share

little changed in spite of higher financial charges. The company has now more than replaced a

hig US printing contract which runs out at the and of 1995, Mr Cavell said. The European market is the world's second

largest at \$85bn annually, after the US (\$115bn), but is more fragmented than North America. Quebecor Printing aims to improve this year's performance of HunterPrint and Didier which both print leading magazine

### Australian gold miner suffers setback in term

Newcrest Mining, the Australian gold miner, said yesterday that profits before abnormals and tax during the March quarter fell to

A\$16.8m (US\$12m) from A\$20.5m in the same period a year ago, writes Nikki Tait in Sydney. Profit after tax dropped to A\$3.7m from A\$12.3m. The company hismed lower gold production and sales on severe western and profits of the county of the Australian storms, which caused extensive flooding in the state and seriously disrupted a number of mining operations.

Nawcrest said this would likely impact June quarter figures, and that earnings after tax for the 18 months to end-June would probably be about A\$12m below earlier expectations.

The company is in the process of changing its annual balance sheet date from end-December to end-June.

Profits after tax for the first 15 months of the current period stood at A\$54.1m.

### Cameco lifts sales forecasts for 1995

Cameco, the Canadian uranium producer, has revised upwards its 1995 sales projections. The group said that following spot market activity in the first quarter, average prices were up 9 per cent from a year earlier, writes Robert

The collapse of a US trader and its inability to make certain uranium deliveries contributed to the price turnround after a steady decline since mid-1991, Cameco said. The mpact will extend into the second quarter as world utilities seek alternative supplie

We're expecting more demand, and earnings for the full year will be above the 1994 level of C\$31m (US\$57.8m), or C\$1.56 a share, on seles of C\$343m, it said. First-quarter net profit was C\$12m, or 23

cents a share, down from C\$13.8m, or 26 cents, a year earlier, on revenues of C\$59m, against C\$58m. The first quarter normally represents a small proportion of the year's results.

### Ascom returns to the black in year

Ascom, the troubled Swiss telecommunications equipment group, recorded net income of SFr21m (319m) last year after two years of heavy losses, writes Ian Rodger in Zurich.

The group, which has been struggling to adapt to liberalised telecoms markets, said in a preliminary statement that it achieved a SFr49m operating profit after a SFr430.1m loss

Revenues, excluding the effect of acquisitions and disposals, increased 8.5 per cent to SFrs.04bn and incoming orders on the same basis were up 2 per cent to SFrs.98bn.

# Safra Republic declines to \$39.4m in period

Safra Republic, the Geneva-based international private banking group controlled by Mr Edmond Safra, reported consolidated firstquarter 1995 net income of \$39.4m, or \$2.22 a share, down 9 per cent from the "exceptional" first quarter of 1994, writes Ian Rodger. Commission income tumbled 36 per cent to

\$17.3m, more than offsetting big gains in for-eign exchange and trading income. Net interest income was flat at \$57.1m.

Expenses were up 10.8 per cent to \$37m, mainly because of the conversion of costs incurred in Europe to dollar terms. Total assets at March 31 were \$18.7bn, up 14

per cent from a year earlier. Shareholders' equity stood at \$1.32bn, against \$1.19bn at the end of March, 1994.

### Stelco cautious despite turnround to C\$51m

Stelco, one of Canada's two biggest steelma kers, improved first-quarter results significantly but warned that a slowdown in North American economic growth may bring some uncertainty in the second half of 1995, writes Robert Gibbens.

First quarter nat profit was C\$51m (US\$36.4m), or 45 cents a share, against a loss of C\$13m, or 19 cents, a year earlier. Sales advanced to C\$780m from C\$674m.

Demand for hot rolled sheet was softening. Stelco said, but the impact would be felt-in imports first. Demand for large diameter transmission pipe, however, is expected to pick up. The order book overall was reasonably strong through to mid year, Stelco added.

All of these securities having been sold, this advertisement appears as a matter of record only.



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ALCATEL ALSTHOM

# Board of Directors, April 18, 1995

Alcatel Alsthom's Board of Directors met today under the chairmanship of Mr. Ambroise Roux. It has been informed of the decision taken on April 14th by the Paris Appeal Court. The Board noted that Mr. Pierre Suard was still prevented from fulfilling his functions as the head of the group. The Board of Directors noted with regret this decision and wished to point out that it does not affect in anyway the presumption of innocence to which Mr. Suard is entitled.

Given these circumstances and following the suggestion of Mr. Ambroise Roux, Mr. Marc Viénot, a current Board member, received the Board's delegation to act as Chairman and Chief Executive Officer until July 31, 1995. His principal responsibilities will be to propose the appointment of a Chairman and Chief Executive Officer.

During the period of his appointment, Marc Viénot will be assisted by a permanent committee of five Directors with whom he will be able

to consult on any important matters. This committee comprises Messrs, Ambroise Roux, Rand Araskog, Guy Dejouany. Jacques Friedmann and Jean Peyrelevade.

The Board also decided to call the Annual General Meeting of Shareholders for Thursday, June 22,... 1995 at 2:30 p.m. et the Palais des Congrès in Paris.

At the Annual General Meeting of Shareholders, it will be proposed to renew the terms of Messrs. Fraok Drendel. Jacques Friedmann, René Lamy aod Jean Peyrelevade. The Board will also propose the appointments as Board members of Mr. François de Laage de Meux whose term as Chief Operating Officer expires at the end of the present six months; and of Mr. André Soria, who is both an employee and a member of the Employees' Mutual Funds. "Actionnariat Alcatel Alethom" to replace Mr. Jacques Guerendel who has not asked to renew his term.

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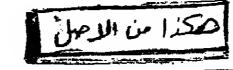
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Investors have yet to receive a full explanation

for the disaster that has befallen Cray Elec-tronics, halving its share price yesterday. But

initial indications are that the former go-go

data communications group has been hit by e mammoth failure to control over-ambitious

expansion plans.

From group management's perspective, the control problem lay mainly with the manage-

ment of the communications division, most of

whom have now lost their jobs. The division not only expanded its costs faster than had

been agreed; the divisional chief executive

hrought in e virtually new management team

who changed marketing and production prac-

tices with disastrous consequences. One deci-sion was to sell only Cray products in its data communications networks rather than using e

mix of the best suppliers, with the result that

some customers turned eway. Meanwhile e

badly-planned shift to just-in-time manufactur-

ing meant Cray did not have enough compo-

nents to meet orders for some of its products.

But the group management also has much to

# COMPANY NEWS: UK

# Bowater name change to end confusion in US

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THE REAL PROPERTY.

The late Sir Eric Bowater might not have approved, but the company he helped trans-form from a small City-based paper supplier into the largest producer of newsprint in the world is dropping the family

As from next month, the peper and packaging group Boweter will be known as Rexam, and the 114-year old Bowater name - synonymous with the paper and newsprint industries since the 1920s will join the likes of Woolworth, Ratners and Tiphook in

the corporate history books. The change is being made to end confusion with Boweter Inc of the US, an entirely separate newsprint and pulp company which demerged from its UK counterpart in 1984.

At the time, the US company assumed the exclusive right to use the Bowater name in North and South America.
At first this restriction did

not trouble Bowater, but since acquiring a US packaging company called Rexham in 1987, its North American operations have grown to the point where they accounted for 41 per cent of the group's £226m profits

Under these circumstances, the inability to use the Bowater name in the the US,



Sign on: David Lyon (left) and Michael Hartnell, finance director

Canada and South America ham, the Welsh town where "changed from being a nui-sance to becoming a serions one of the company's factories was based. commercial disadvantage," While Rexam does not mean

said Mr Michael Woodhouse, anything itself, Mr Woodhouse said it it eppealed on grounds of style, presentation and ease chairman. Bowater began looking for a new name last September. of pronunciation. After hiring consultants Inter-Among the names that were band and asking for ideas from rejected were "Hakari" (which employees. Bowater finally means balance in Jepanese) came up with the name Rexam

and Summus, e made-up word. when chief executive Mr David Bowater says that the cost of Lyon removed the "b" from changing its identity will be Rexham while doodling on e about £2.5m. The old Bowater name will Although he did not know it. still be used in a few areas where the brand is very strong, Mr Lyon was maintaining e

tradition. The US company such as Australia, and in Rexham was named when the the UK replecement window "w" was dropped from Wrex-

### answer for. It failed to control divisional management. It also delayed reporting problems to shareholders, even though the business was Melrose Energy at

£316,000

Melrose Energy, the oil and gas exploration group, reported pre- and post-tax profits of £316,000 (\$512,000) for the half year to December 31. For the comparetive period, the company, then USM-quoted Crossroads Oil,

achieved £156,000. In March 1995 Crossroads Oil acquired those parts of Melrose it did not already own, changed the name of the enlarged company to Melrose Energy and joined the Official List. The company invests in, manages and drills for oil and gas partnerships in the US.

Mr Robert Adair, chief exec-ntive, said the results exceeded budget. Most of the group's profits are made in the second half. The latest series of oil and

gas limited partnersbips closed on March 31 with cash subscriptions of more than £9.1m. which will be used for further development drilling in the Permian Basin in New Mexico and Texas.

Turnover for the enlarged group was £851,000 (£645,000). Earnings per share came through at 0.381p (0.286p).

# onstrates e firm grip on the business, it too Williams makes fire protection purchase in US

faring badly enough for the divisional chief

executive to depart last December. The top management has been rewarded with huge

bonuses for what, until yesterday, looked like

e fairy-tale turnround et Cray, following a bad

patch in the late 1980s. Unless it swiftly dem-

Share price relative to the FT-SE-A All-Share index

By Patrick Harverson

Williams Holdings, the diversified industrial group, is acquiring the fire protection products and systems division of Figgie International, the US group, for \$48m (£29.6m) in

LEX COMMENT

Cray Electronics

Last year Williams made several acquisitions in the fire protection business, including buying Oxfordshire's Angus Fire from BBA, the engineering group, for £90m, and Silvani, an Italian fire protection company, for £16.5m.

It spent a total of £212m on fire protection and other acquisitions in 1994 and has indicated that it would be willing to spend a similar sum this

The acquisitions are part of Williams' strategy of coocedtrating on three core businesses - security products, fire protection and building products. When the 1994 results were announced last month, Mr Roger Carr, chief executive, said that Williams would continue to make bolt-on ecquisi-

Figgie Fire Protection Systems, based in Charlottesville, Virginie, hed turnover of \$65.5m and pro-forma operating profits of \$2.3m last year. It makes industrial fire extinguisbers and pre-engineered fire protection systems, a range of temperature control products, consumer extinguisbers and industrial sprin-

#### EIS at £18.4m

EIS Group yesterday reported a 13 per cent increase in pretax profits from £16.2m to £18.4m (\$30m) for 1994, the 24th consecutive year of profits growth for the specialist engi-

peer, belped by acquisitions. Despite the growth in profits. Mr Peter Hasleburst, chief executive, said competitive pressures in global markets were making it difficult for the group to pass on rising raw materials costs to customers.

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# Cray shares halve after group issues profit warning

note pad.

By Christopher Price.

Shares in Cray Electronics yesterday halved in value, plunging from 155p to 79p, after the data communications group issued a profits warnings, adding to the company's

chequered history. Cray said that it was likely only to break even in the second half after making pre-tax profits at the interim stage of £10m. There would also be a restructuring provision of approximately f6m, leaving the profit figure for the year ended April 30, 1995, at around f4m.

profits of about £32m.
The warning comes just two

years after four Cray Electronics directors shared e £27m bonus paid in company shares for exceeding profit targets.

The group blamed the profit shortfall on the communications business. Cray claimed the division's chief executive. Mr Ray Piggott, had embarked on an ambitious plan to boost sales by more than 30 per cent to £220m in 1994.

Cray said there had been a failure to phase in the increased costs and investment

Analysts had forecast full-year in line with profitability. In December, with sales only 10 per cent ahead, Mr Piggott was replaced by Mr Jon Richards, Cray's Electronics' group chief executive. Mr Piggott could not be contacted yesterday.

Mr Richards defended the

board's decision not to reveal the problems with interim results in January. "We [normally] have a strong year-end and we thought we could still pull things around."

Most of the senior manage ment team et Cray Communicetions was eventually

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substitutions will still be accepted. \*To qualify for the early registration discount and free gift, registration and payment must be received by 19 April 1995. Please indicate which gift you

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# 1994 RESULTS

The activities and earnings of CNP, leading personal insurer in France, continued to grow in 1994.

CNP's consolidated income rosa by 18.2% to FF 76 billion. Individual Insurance accounted for FF 61.8 billion, and group insurance FF 14.2 billion. Assets menaged by CNP increesed by 29% to FF 280 billion compared to the previous financial year.

Net earnings (Group share) have been growing steadily for several yeers and advenced by 12%, compared to 1993 results, to FF 1,415 million.

CNP has thus consolidated its leadership on the French personal insurance market.

A proposal will be made at the June 13, 1995 Annual Shereholders' Meeting for the peyment of a net dividand of FF 2.80 per ehere or FF 4.20 (tax credit included), egeinst e net dividend of FF 2.50 in respect of 1993 (adjusted after division of the nominal by 4].

CNP's growth is chennelled toward clearly-defined directions:

e epecialisation on the personel insurance merket. CNP hes ecquired e recognised expertise on this market: today it manages more then 7 million individual contracts,

 stratagy built on partnerships: renewed agreements with networks and multi-year contracts with new customers confirm their commitment to CNP.

• innovation in the field of personel protection schemes and savings products: CNP creates new products end services to enticipate changes in the requirements of insureds.

in FF billion 1994 Change 1993 +18.2 % 78 Net earnings (Group share) 1.262 1.415 +12.1 % 240 +27.6 % Total Assets 307 Equity |Group share] after appropriation 9.989 11.049 +10.8 %

217

EVOLUTION OF NET EARNINGS (GROUP SHARE) IN FF MILLION)

BREAKDOWN OF INCOME (IN FF MILLION)



BREAKOOWN OF CAPITAL (96)



Phone : (33-1) 42 18 86 53 place Reoul Dautry - 75015 Paris



CNP. VIVEZ BIEN ASSURÉ

280

Assets Managed

9.43.57

rii 18. 1995

5 July 3 - & ADVANCED MATHEMATICS OF DERIVATIVE PRODUCTS

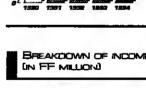
6 August 21 · 25 TREASURY RISK MANAGEMENT

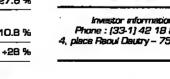
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# Associated British Foods

## **INTERIM RESULTS 1995**

"Worldwide sales up 9 per cent to £2,248 million.

Operating profit up 4 per cent to £153 million. Cash reserves up £42 million after investing almost £200 million in new assets and £80 million in new subsidiaries for our existing businesses."

# Garry Weston, Chairman

	24 weeks to 4 March 1995 & millions	24 weeks to 5 March 1994 £millions
Operating profit	153	147
Profit before taxation	173	181
Ordinary Shareholders' Funds	2,156	1,994
Earning per share	25.7p	28.5p

The full unaudited interim statement for the 24 weeks to the 4 March 1995 was posted to shareholders on the 24 April 1995.

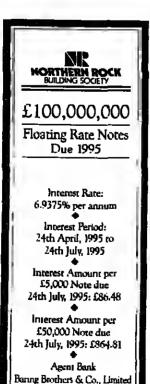
Associated British Foods plc, Weston Centre, 68 Knightshridge, London SW1X 7LR, England.

# **ABN-AMRO** ABN AMRO BANK N.V.

US\$ 100,000,000 Subordinated Collared Floating Rate Note: 1993 due 2005

In accordance with the terms and conditions of the Notes, notice is hereby given thet for the interest period April 10, 1995 to October 10, 1995 the Rate of interest hes been fixed at 6.4375 per cent, end that the interest payable on the relevant Interest Payment Date, October 10, 1995 against Coupon No. 5 in respect of US\$ 1,000 nominal of the Notes will be US\$ 32.72, in respect of US\$ 10,000 nomine) of the Notes will be US\$ 327.24 in respect US\$ 100,000 nominal of the Notes will be US\$ 3,272.40.

ABN AMRO BANK N.V. April 6, 1995



NOMURA ASIAN INFRASTRUCTURE FUND SICAV R.C. Lexemb ure B34 248 office: 6, avenue Emile Re L-2420 Liczenbourg acreby given to the sha

ANNUAL GENERAL MEETING of shareholders of NOMURA ASIAN NFRASTRUCTURE FUND will be beld at s: regiment affice on Frais I 10.00 am with the followin

. Submission of the reports of the b directors and of the auditor. Approval of the annual accounts and o the statement of operations as a December 31st, 1994; appropriation of the

Discharge of the derectors.

required for the items on the agenda of the annual general meeting and that decisions will be taken on aumple majority of the shares present or represented at the moeting is order to attend the starting of NOMURA ASIAN INFRASTRUCTURE FUND, SICAV the names of heares shares will have to depose their shares five clear days before the meeting at the registered office of the company or with NOMURA BANK (LUXEMBOURG)

A. 6 svenuc Emile Renter, Luxemi

The Board of Directors

Berisford stake fall ing it difficult to recover cost reported flat profits of £22m on By David Blackwell increases. The main problem sales up from 2603m to 2647m. Investment income, which A sharply reduced contribution area was packaging, where from its investment in Beriscosts had risen by 15 to 20 per phinged last year, rose by 53 per cent to £26m. Mr Weston

ABF cut to £173m by

ford International now about II per cent, held back interim profits at Associated British Foods, the milling, baking, and sugar group.

Pre-tax profits for the six

months to March 4 fell from £181m to £173m, (\$280m) as profits from the Berisford stake tumbled from £29m to

At the operating level ABF edged ahead by 4 per cent to £153m; group turnover rose by 9 per cent, to £2.25bn (£2.06m). Mr Garry Weston, chairman, described market conditions as "very, very competitive," mak-

Hillsdown

C\$674.2m

for MLF

receives

In the first half Allied Bakeries profits were only margin-ally ahead, with efficiency savings being offset by further discounts to customers.

However, Mr Weston was confident that this month's 2.5 per cent rise in bread prices the first increase for almost three years - would stick. British Sugar lifted profits

good prices for exports. The manufacturing division's operating profits grew from £125m to £131m on sales of £1.6bn. The retail division

from £77m to £84m, helped by

# **BP Chemicals**

Hillsdown Holdings, the food processor, will receive a total of C\$674.2m from the sale of its 56.1 per ceut stake in Maple Leaf Foods of Canada to the Wallace McCain family and the Ontario Teachers Pension Plan Board.

It will receive cash of C\$641.1m and 5.59m shares in Amalco, the company result-ing from the acquisition, Hillsdown is selling the shares at C\$5.93, raising a total of

The proceeds will pay off Hillsdown's North American debt leaving it with total debt of less than £100m and gearing of 15 per cent.

Hillsdown bought the stake in 1987 and has heavily restructured the company, However, without full control it believed it could not realise Maple Leaf's full potential.

**Dailywin and Disney** Dailywin Gronp, the Hong Koog-based watch designer and maker of watches that floated last mooth with e valuation of £15.4m (\$25m), has signed a licence to make and sell in China watches carrying

Oxford Molecular

Oxford Molecular, which specialises in pharmacentical industry computer software. unveiled its first results since last year's listing with a preagainst £1.27m.

Mr Roderick Hall, the chairman, said: "These acquisitions bave given the group an immediate high profile in the US market, which represents over 50 per cent of our target mar-ket and includes approximately 80 per cent of the world's biotechnology indusexpands capacity

BP Chemicals yesterday announced a near-30 per cent expansion in capacity of its plant in Grangemouth, Scotland, which cracks gas into first-stage hulk chemicals The company last year

closed its other British cracker, et Bagian Bay, south Wales, as uneconomical in an over-supplied market.

However, European demand for ethylene and high and low-density polyethylene, produced from the cracker's output, rose sharply last year. Most of this was because of

increased industrial production. Rising exports, triggered by temporary plant closures in

made a difference. Ethylene demand rose by 11 per cent last year, said Mr Mike Buzzacott, chief execu-

COMPANY NEWS: UK

said the group had gone for less risky short-term

instruments and described the

return in the first half as "ade-

The net cash and investment

The group was continuing to

look for acquisitions and would

like to move into the

growth economies of the east

Earnings per share were 25.7p, down from 28.5p. The interim dividend is unchanged

balance stood at £398m, up

from a previous £356m

quate".

tive of BP Chemicals' polymers and olefins business. This caused price rises of nearly 80 per cent in six months, which had returned margins to 1988 levels, he said. However, the closure of Baglan Bay had not been a

strategic error: "We have got rid of an essentially uncompet itive facility, and are enhance ing a very competitive one." At £20m, the expansion would cost only half as much

as a full start-up, he said, and would be able to withstand very low margins in the future.

Farnell plans growth in US after French buy

By Christopher Price

Farnell Electronics, the electronic components distribution group, reported a 21 per cent rise in pre-tax profits from 949.1m to £59.2m (\$96m) for the 12 months ended January 29,

company announced it was paying £6.4m for Spelec, a French electronic component distributor, and said it intended to make fur-ther acquisitions using the £80m it received last month for the sale of its manufacturing

Mr Howard Poulson, chief executive, said: "There are a number of business opportunities we are examining in the US and we expect to make several purchases in the £10m to £20m range in the next two to three years.

He added that Farnell would also be looking to strengthen its presence in France and Germany, as well as developing initiatives in east Asia.

Turnover rose 61 per cent to £514.2m as the group reported strong growth from both its components and services divi-sions. Earnings per share advanced from 24.4p to 28.7p. A final dividend of 5.2p is proposed, making a total of 9p, for the year, a rise of 22 per cent. The components business.

which provides products from catalogues for mainly small production companies, increased sales in its core UK market by 8 per cent, while the overseas business rose by 40 per cent. Farnell Services, which concentrates on volume distribution, increased sales by 9 per cent. The manufacturing



Howard Poulson: number of opportunities being examined

business had sales of £70.1m and operating profits of £7.4m.
With the cash generated from the on-going business, Farnell has a war chest of 295m, although Mr Poulson ruled out a large purchase.
"There are simply no big volume distributors for us to buy in the markets we want to go into. We are likely to acquire smaller niche players when the

time is right." However, he said that should the cash pile remain sizeable within the next two to three years, the board might consider giving some of the proceeds back to shareholders. Forecast profits this year of about £73m put the shares on a

30 per cent premium to the

# US plastics turnround helps McKechnie

By Paul Cheeseright, Midlands Correspondent

goes up 10 per cent, to 5.5p. Since the year

to July 1989, the group has beld its full

year distribution at 14.75p.

RESULTS

McKechnie, the plastics and metal components group, lifted first half pre-tax profits by 53 per cent and has increased its dividend for the first time since 1989. The profits rise, in line with expectations, prompted the shares to jump to 432p against a singgish market before settling back to 425½p for a net rise of 6½p.

pictures of Disney characters.

Losses per share were 8.6p (8.9p). Turnover was up from £1.41m to £2.77m, belped by £754,000 from ecquisitions.

The group, the first to be spun ont from Oxford University, made two acquisitions for shares during the year: Intelli-Genetics, a supplier of bioinformatics software based in the US, valued at £5.9m, and CAChe Scientific, a developer of computer-aided molecular design prodocts, for £5.7m.

Turnover rose from £191.5m to £255m and operating profit before interest rose from £14.1m to £21.7m. In both cases the increases reflected organic growth and the infinence of acquisitions. There was e first full half contribution from Linread, the fasteners company, bought last year, for

The figures also reflected the return to profit of troublesome plastics operations in the US, a strong performance from metals Pre-tax profits for the six months to Jancompanies in the Pacific and increased nary 31 were £20.2m (\$33m), compared market share for components used on new with £13.2m. Earnings per share improved from 10.3p to 14.7p. The interim dividend model cars in the UK.

However, McKechnie has been hit by the weakening of the Australian against the New Zealand dollar. "We don't expect profits to grow nearly as fast as they

have," warned Mr Michael Ost, chief In the UK the flat housing market

meant that the consumer products division had to rely on new products and productivity gains to secure an increase in profits.

Sectoral activities are now evenly balanced between plastics, consumer and spe-cial products groups, but sales are still weighted towards the UK and the Pacific. Mr Ost reiterated the group's desire for acquisitions in the US and continental

With pre-tax profits this year of about £46m, to produce earnings per share of 33p, the prospective multiple is less than 13.

							-		- Dividends		
	Turno	ver (Sim)		v-inc It (Em)	Ħ	S (n)	Correct payment (p)	Date of payment	Corresponding dividend -	Total for year	Total last year
Ass British Foods 24 weeks to Mar 4	2,248	(2.063)	173	(181)	25.7	(28.5)	8.5	Sept 1	8.5		161
Eagle Yr to Dec 31	31.8	(29.5 ]	0.779	[1.96]	1.01	(2.55)	0.7		0.7	1	1
EIS Yr to Dec 31	347.2	(253.2)	18.4	(16.2 )	27	(24.9 )	9.3†	July 10	9	127	123
Fameli Elect	514.2	(320.1 )	59.24	(49.1)	28.7	(24.4)	5.2	July 3	4.2	9	7.4
How Yr to Dec 31	125.3	(133.4)	2.85L	(Z13L)	6.42L	(3.61L )	0.375	July 3	0.375	0.75	0.75
McKechnie S mths to Jan 31	255	(191.5 ]	20.2	[13.2]	14.7	(10.3)	5.St	July 24	5	7.1	14.75
Metrose Energy 6 inths to Dec 31	0.851	(0.645)	0.316	(0.156)	0.381	(0.286)	0.16	June 23	-		0.2
Mice Yr to Dec 31	12.4	(9.94)	0.471	(0.294)	0.29	(0.21)	_	-		-	-
Oxford Molecular	2.77	(1.41 )	2.91L	(1.28L)	8.6L	(8.9L)		_		-	-
Prime People Yr to Oct 31	0.77	(1.3)	0.44L	(1.65L )	0.87L	(3.21 )	-	-	-		-
Stratageor 6 miles to Feb 28	45.6	(33.8)	1.5	(0.28 ]	7.3	(1.6 )	2	May 18	1.5	-	5
VTR 6 mths to Feb 28	6.08	(5.75 )	0.866	(0.697)	5.6	(5.6)	1.6†	June 18	1.45	-	ž
Weesum § Yr to Jan 28	10.9	(8.37)	1.03	(0.318)	9.14	(2.87)	2.85	July 3	1.375	4.35	2
Investment Trusts	Trusts RAY (n) Employs (Cor)			EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for	Total last year	
Abtrust Preferred 9 miths to Feb 28 ±	87.87	(18.2 ]	2.39	(2.91 )	12.58	(15.32 )	34	Agr 28	2.9063		12
Fleming Inc & Cap	121.3	(124 )	5	(4.55)	5.41	(4.93)	21	Jene 1	1.9	5.1	4.9
Govett Strategic	255.2	(296.6)	2.36	(3.52)	2.4	(3.59)	2.65	June 16	2.65	-	6.75
4&S Enterprise Cap 6 mits to Mar 31 ★	126.6	(126.7 ]	0.003	(0.195L)	0.01	(0.52L )	-	-			
Meinwort Second 6 mths to Mar 31	105.4	(98.5 ]	0.186L	(1.34L)	0.93L	(6.71L ]			_	-	

Dividends shown net. Figures in brackets are for corresponding period. ‡Excludes special distribu ⇒ Comparatives for year to May 31. ♦Third Interion; makes 9p to date. ★ Comparatives restated.

NOTICE OF REDEMPTION

MORTGAGE SECURITIES (NO.3) PLC £117,000,000 Multi-Class Mortgage Becked Floating Rate Notes due 2035

Notice is hereby given that, pursuant to Condition 5(e) of the Notes, the Issuer shall redeem: £1.143.00 per Class A1 Note £0.00 per Class A2 Note £0.00 per Class A3 Note on the next Interest Payment Date, being April 28, 1995. MORTGAGE SECURITIES (NO.3) PLC

CANON INC. YEN 30,000,000,000. FLOATING RATE NOTES **DUE 1996** 

Dated: April 25, 1995

Interest Rate: 1.6375% p.a. Interested period: from 24.04, 1995 to: 24.07,1995 Interest payable per Yen 1,000,000.note: Yeu 4.130. By Fuji Bank (Luxent

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FT Surveys

EURO DISNEY S.C.A.

## CONTINUING IMPROVEMENT OF RESULTS

Euro Disney S.C.A. announced friday April 21, 1995 its semi annual results for the period October 1, 1994 to March 31, 1995.

The net loss was reduced by approximately 77% to FF 241 million. This improvement is principally due to the effects of the financial restructuring completed in late fiscal 1994 as well as increased operating margins.

For the first half of 1995, operating revenues rose 7% to FF 1,678 million from FF 1,572 million in the first half of 1994.

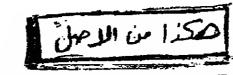
Theme park revenues rose 9% in the first half of 1995 to FF 796 million due to a significant increase in attendance. This improvement in attendance was partially offset by the impact of seasonal prices for local residents and lower food prices. Hotel revenues rose 7% to FF 666 million in first half of 1995 due to a significant rise

in occupancy. This increase in hotel occupancy was partially offset by lower room Lease rental expense decreased FF 600 million essentially due to the financial

The Chairman, Philippe Bourguignon, said, "These results show we are on the right

track. Nevertheless, it is premature to draw conclusions on the full year before the end of the summer.\*

Semester ended March 31, 1995	Semester ended March 31, 1994		
1,678	1,572		
(1.760)	(1,782)		
(82)	(210)		
(120)	(720)		
[296]	(1,151)		
(241)	(1,055)		
	March 31, 1995 1,678 (1,760) (82) (120) 1296)		



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ENT OF RESULTS

#### **COMMODITIES AND AGRICULTURE**

# Belgian gold sale Unseasonal frosts bite into crop prospects steadies market British growers of fruit, succulent vegetables, early potatoes and cereals all look like catching a cold

By Kenneth Gooding, Mining Correspondent

Belgium's central hank revealed yesterday it had sold 175 tonnes of gold (5.627m troy ouncea) to anothar central bank for foraign currency Bf69hn (about

US\$2.446bn). Analysts suggested there was not enough information about the sale - there was no indication which bank bought the gold and what it intended to do with the metal - to make a reasoned assessment of the likely impact on the market. Nevertheless, the initial reaction was mildly positive and gold closed in London at

\$391.40 an ounce, up 90 cents. A Belgian official indicated that the sale had been made to bring the share of gold in the country's reserves into line with its neighbours. Belgium had about 700 tonnes of gold left. Ms Rhona O'Connell, analyst at T. Hoare and Co. suggested this explanation did not stand up. Once adjustments were made, gold would still account for about 40 per cent of Belgium's total

Lehman Brothers said Bel-

gium's announcement showed that "the gloomsters and doomsters who say central banks don't want gold are wrong". He guessed the gold had gone to an Asian country. The immediate impact of the

Belgian news would be posi-tive, said Mr Andy Smith, ana-lyst at Union Bank of Switzer-land. "There will be relief that tha gold has gone into safe hands. In the longer term, however, it shows that central bank holdings are not inert." Central hanks own about 36.000 tonnes of gold and in the past big sales from these hoardes have tended to depress

the price. Belgium previously sold 127 tonnes in March 1990 and a further 202 tonnes in June 1992. The Dutch central bank sold 400 tonnes late in Minerals Services.consultancy group, net central bank gold

sales in 1994 at 46 tonnes were only one tenth of those in the previous two years. Lehman's Mr Milling-Stanley suggested that, as well as the Belgian disposal, there were "distress sales" by Latin American central banks aarlier this year Mr George Milling-Stanley at forced by the Maxican cur-

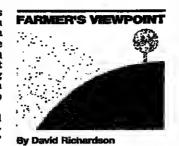
Scandinavians think it is marvellous; sitting in a bot sauna for half an hour and then rolling in the snow. My grandmother had a variation of the theme that involved alternately splashing

the body with hot and then cold water. Plants, however, do not like it at all. Bright sunny days followed by frosty nights with temperatures falling as low as minus 5° °C and interspersed with occasional snow and sleet showers is not a farmers' ideal recipe for spring. But that is what has happened across wide areas of the UK during the past few

suffered, some quite seriously. Worst affected have been flowering fruit trees and husbes, succulent crops such as asparagus and early potatoes. Potential yields of some of those early and therefore high-value crops have been hit hard and in some cases first pickings have virtually been written off. Sugar beet and some autumn aown cereals may also have been affected, although it is too soon to be

weeks and many crops have

One unfortunate Cambridgeshire fruit grower told me at the weekend that she estimated frost damage to her pear



trees, which were in full flower when worst frosts struck, would reduce yield by 50 per cent. Some early apple varieties, such as russets and Bramley's, had also been coming into flower at the time and although not as badly frozen as the pears would probably yield below previous expectations. On the same farm there were

and gooseberries. If the frost caught them at the most critical stage of growth it may cause developing fruitlets to fall, rendering the crops a virtual write-off for this year. Again only time will tell. But the earliest strawberries on the farm had already been lost in spite of being covered with a floating plastic mulch - that is a layer of plastic intended to enhance sunlight, warm the soil and the plants and per-suade them to flower and fruit early. This year, however, tha frost penetrated the plastic and many of the early flowers were destroyed.
On another fruit farm in Suf-

folk, closer to the coast, and therefore protected from the worst of the frost by the rela-tive warmth of the sea, the grower thought his floating mulch-covered early strawber-ries had survived. But because of the continuing frosts he was having to replace the mulch every night after removing it during the day to allow insects to pollinate the flowers - a difficult, time-consuming and expensive operation. He should, however, at least have some early strawberries, which will make good money because of the potentially short sunplies caused by problems expe-

rienced elsewhere. Most of the fruit growing areas of Britain have been affected to some extent, the worst-hit areas appearing to be where the sharpest frosts occured across the centre of the country.

Another specialist crop that normally coming close to harvesting in late April and early May is asparagus. This

year, however, most of the early shoots, which were just emerging when the nights turned cold, have been frozen and ruined. The majority of the crop, whose growing tips were still below the surface, were unaffected and should come ready to cut in due course. But fresh asparagus fanatics will longer than usual this year: and that is assuming the frosts do not continue this week and beyond. If they do, a steadily

that has suffered seri-ous and widespread damage is early potatoes. Here again it has become

increasing proportion of all

vulnerable crops will be dam-

aged with subsequent and

more serious yield loss.

common practice in the UK to cover such crops with plastic to protect the foliage and advance the date of harvesting. This year, however, that has not been enough. There are reports from many parts of the country of serious frost damage to leaves, which have been frozen and therefore destroyed through their protective plastic. Potatoes are hardy plants and the leaves will grow again; but while they are doing so the plants will not put the neces-sary energy into swelling the tubers in the soil below and that in turn will delay the time when they will be ready for lifting. With a price sensitive crop like early potatoes that can mean a diffarence of as much as £100 a tonne, perhaps turning profit into loss.

continue to bulk up the longer they are left in the ground and growers of delayed earlies will almost certainly calculate the economic yield at which they can afford to lift at lower prices, which will he a few weeks later than normal. This means they will "trespass" on the markets of growers geared to mid-summer lifting. Early growers will he particularly peeved at missing the really early markets this year because potatoes of all grades remain in short supply right

equally serious for second early potatoes. Potatoes will

across Europe. Broad-acre crops such as cereals and sugar-beet are less affected by cold snaps. But cold soil means slow or non-existent growth and in the case of sugar-beet, which have only just been planted on most farms, greater vulnerability to most troublesome. They eat the seeds hefore they have time to germinate. As surviving seedlings emerge sky larks have a habit of pecking them off level with the soil; not to mention similar predation by hares and pheasants. Spring frost also pre-disposes sugar beet to "bolt" - that is to throw up a seed bead later in the summer, producing small roots with below average sugar content

Late frosts can also severely

reduce the yield of early sown winter barley. This year more was sown early than usual. Many growers had been caught autumn finding themselves unable to plant at the proper time. Last year they decided to plant in early September instead of a few weeks later. Those crops are now approach ing maturity and close to coming into ear. Experts predict that last week's frosts may have stunted the development of the grains in those ears and that this may lead to significant yield losses, which cannot accurately be until at harvest

time in late July. It only goes to show that even the most alert farmer canthe range of pests that attacks not beat nature.

# Indian copper expansion planned

By Kunal Bose in Calcutta

Hindustan Copper (HCL), state undertaking, has received 'initial clearance" from the Indian federal government to expand the capacity of its smelter and refinery at Khetri in Rajasthan to 100,000 tonnes from 31,000 tonnes. The company has commissioned Mesco of Japan to prepare a hasic engineering report. Mecon, the Indian consultants, will submit the detailed feasibility report in August,

According to Mr Ved Leekha, chairman of HCL, "the com-pany will be importing copper concentrate to run the expanded capacity of the Khetri com-

COMMODITIES PRICES

plex. However, the dependence on import will go down to some extent when we expand the open pit mine at Malanjkhand and start a new mine st

of imported concentrate will improve the viability of the Khetri complex. Copper content in Indian ore is around 1 per cent, compared with 3 to 4 per cent in most other producing countries, they point out. Moreover, Indian ore contains

Rs3.65bn (US\$118m). A greenfield site project of 70,000 tonne capacity will cost nothing less than Rs12bn".

The company will be funding the expansion programme from a public share issue and loans. Work on the project should start in the last quarter of 1995. HCL will also raise capacity at its other smelter at Ghatsila

copper concentrate to run the expanded capacity. The country's only produce of copper, HCL meets less than third of India's annual requirement of about 160,000

in Bihar from 16,500 tonnes to

35,000 tonnes. Here too, the

company will be importing

# Quality is the key to Zimbabwe tobacco price prospects By Tony Hawkins in Harare

Hopes of firmer prices at the 1995 flue-cured tobacco auctions opening here today hinge largely on the quality and composition of the crop.

World tobacco demand ls firm and industry sources predict a crop of about 190m kg, up 12 per cent on last year, which they expect to sell at an average price of more than 185 US cents and perhaps as much as \$2 a kilogram. This would be the best price

since 1991 and an improvement of at least 10 per cent on last

With the rest of the farming sector reeling from yet another

# ZIMBABWE TOBACCO 134 185c/195c

drought year - the third in the last four - sales of the coun-

try's top export are more than usually important to the Zimbabwe economy. Mr Peter Richards, president of the Zimbabws Tobacco Association. which represents growers, is

Sett Day's Open price change High Law lot Vol

confident that no more than a nicotine content than some fifth of the crop has been adversely affected by the drought, but some other ana-

lysts are less sanguine. They believe that up to a third of the crop could turn out to be drought-stressed, with higher

MEAT AND LIVESTOCK

M LIVE CATTLE CME (40,000lbs; cents/lbs)

83,009 +19,075 63,050 83,900 83,000 83,000 83,000 83,000 83,000 83,000 81,000 10,000 82,000 83,000 83,000 83,000 84,000 8

buyers might like. If Mr Richards is right, then close to \$2 a kilogram - up 15 per cent on 1994.

Such is the strength of world demand too that grade-for-

estly higher prices than last year, though the final outcome will depend on the quality composition of the crop. Overall, the mood is optimistic with a senior ZTA official saving the crop will cover a broad spectrum with "something for

everyone". Last year, overseas sales of tobacco were estimated to have earned US\$400m, or 22 per cent of total exports, Higher volumes and prices point to further export expansion this year, though there is still a long way to go to regain 1991's boom level of US\$532m, when the price averaged a record \$3.25 a kilogram.

#### BASE METALS Precious Metals continued ■ GOLD COMEX (100 Troy mz.; \$/troy mz.) LONDON METAL EXCHANGE | Sett | Dey's | Fight | Green | Inct. | Vol. | | 380.9 | +0.4 | 381.0 | 390.9 | 169 | 8 | | 391.5 | +0.4 | 391.6 | 391.2 | 338 | - | | 383.1 | +0.4 | 394.4 | 392.6 | 102.351 | 25,796 | | 396.5 | +0.4 | 397.7 | 396.4 | 22,482 | 693 | | 389.9 | +0.4 | 400.0 | 399.9 | 7,228 | 43 | | 403.5 | +0.4 | 404.4 | 493.4 | 18,184 | 180 | M ALUMINIUM, 99.7 PURITY (5 per torne 1877-8 Kerb close Open Int. Total delly turnover 196,762 46,260 M PLAT Apr' Joi Oct Jes Apr' Total M ALUMENIUM ALLOY (\$ per torne 1750-55 1780-81 Kerb close Open Int. Total daily turnover - PALL Apr -Jun Sop Dec -Total III LEAD (\$ per tonne) 640-41 639-40 643/635 635.5-36.0 High/low AM Official 624-26 Apr Histy Joi Sep Dec Jan Total ENEF III CRUE

Open int.	32.768	
Total daily turnover	7,712	
IN NICKEL & per ton		
Close	7425-35	7550-60
Previous	7395-405	7525-30
High/low	1000	7600/7530
AM Official	7400-10	7545-50
Kerb close		7585-95
Open int.	49,258	
Total daily turnover	10,951	
IN TEN (5 per tonne)		
Close	6030-40	8030-40
Previous	5920-30	5920-25
High/low		6100/5950
AM Official	5055-60	6055-60
Karb closs		6020-1
Open Int.	15,104	
Total delly turnover	5,500	
ZINC, special high		
Close	1072-3	1095-6
Previous _	1071-2	1003-4
High/low *		1101/1092 1094.5-95.0
AM Official	1073-74	1096-7
Kerb cicse	89,614	1000-7
Open int.	15,754	
Total daily turnover		
COPPER, grade A		2833-34
Close	2850-51	2845-45.5
Previous	2869-70 2862/2861	2852/2832
High/low	2861-62	2843-44
AM Official	2001-04	2830-1
Kerb close	238,954	
Open int. Total daily turnover	62,778 -	•
LIME AM Official	C/S rate: 1.61	70
LME Closing 2/5	rete: 1,6070	

**HEAT** 

q HDG	H GRAD	E COP	PER (C	~!VI		
iger Gery Isan Isan Isan Isan Isan Isan	Cices 129.00 128.25 127.55 126.85 126.05 125.25	-3.40 -3.20 -3.05	129.40	128.00 127,55 126.75 126.06	Open Int 601 13,235 1,025 21,768 511 3,992 48,118	193 3,151 137 5,802 23 167 9,352
LOI Prices	CIOC ROON BI		MARI M Rot 100 391.60	rachild) 2 eq	N SF	еспу

IN TOMBON E	INN MAR	
Gold(Tray az) Close Opening Morning fix	\$ price 391.20-391.60 390.60-391.00 391.05 390.86	5 edito au edine
Afternoon fix Day's High Day's Low Previous close	391,80-391.90 390.60-390.80 390,30-390.70	- D-44- A/s (155)
1 month	516 12	months
3 months Sever Fix	p/troy 352.	oz. US dis equir. 50 570.25
Spot 3 months	357. 363.	-05 55

5 price 394-397

Chapri-Shiddeswar". Industry officials say the use

very little gold and silver. Mr Leekha thinks Khetri's fairly well developed infrastructure means "it should be possible to complete the expansion at an investment of tonnes of the metal.

# GRAINS AND OIL SEEDS ■ WHEAT LCE (£ per tonne) Sett Day's Open price change High Low let Yol 119.95 - 119.95 119.50 1,139 11995 - 11985 11930 1,138 120.95 -0.10 121,10 120,75 754 104,40 +0.05 104,40 104,25 295 105,35 - 105,45 105,35 2,002 107,40 +0.10 107,40 107,30 929 108,15 +0.05 108,15 108,00 458

				190,341	25,313	100					8,003	201
MUM	NYME	(50 Tr	OY OZ.	\$/troy	22)	■ WH	EAT CB	T (S,000	Nou main	; cents	60th b	(ledeu
441.1	+1.8	445.0	_		22	May	352/0	+1/2	352/6		10,189	1,728
443.1	+1.8	445.0		18,592	7,451	Jan	347/0	+2/2	347/4		35,313	9,116
445.4	+1.B				42	Sep	353/0	+1/2	354/2	349/4	5,975	806
447.9	+1.6			1,376	125	Dec	365/B	+1/4	366/4	362/0	5,374	1,029
450.9	+1.8			832	125	liter	370/4	+0/4	370/4	366/0	478	75
				24,649	7,766	Jal	33B/U	-2/0	340/0	338/0	54	1
ADUM	MYM!	001) X⊒	Troy o	a.; \$/bro	y oz.j	Total						12,755
165,35	-0.95			20		M MA	ZE CBT	(5,000	pa wy	cents	561b bi	ashel)
156.35		168.00	168.00		1,281	May	247/0	+0/2	247/2	245/6	53,027	9,701
168.25		169.00			92	Jol	254/0	+04	254/2	252/4	123,415	11,527
169.50	-0.35	170.00	168.00	168	2	Sep	258/8	+0/6	258/6		37,200	1,207
				5,820	1,375	Doc	261/6	+046	262/0		117,677	5,908
ER 00	MEX (1	00 Troy	02.; C	ente/tro	y 02.)	Mar	288/2	+1/0	268/2		11,791 805	168
566.5	-1.3			4		May Total	272/4	+04	272/4	271/6		26,753
566.5	-1.5	576.5	564.5	31,642	28,328		21 EV I A	= #	- *****			ن د ارس
578.8	-1.7	589.0	576.0	47,742	12,885		KLEY LC					
587.7	-1.8	597,0	586.0	10,195	1,031	May	111.76	+0.25	111.75	111.50	119	S
690.6	-21	-	-	16,164	610	Sop	103.25				13B	
598.6	-22	-	-	15	-	May	104.70	+0.05	-	400 00	584	
				131,937	33,832	Jan	106.65	-0.10	186.75	106.65	206 106	30
						Ster Stay	108.40	+0.40			15	
						Total	108.40	74.00		•	1,168	39
							ABEAN	e cur e	none.	nie- cen	-	
RGY								_	_			
DE OIL	NYME	X (42,0	00 US (	galla. \$/	ратер	May	589/4	+3/4	57040		22,780	6,380
Labor	Day's		-	Coest		44	581/6 586/6	.+4/0	582/2	582/0	57,429 8,633	13,604 294
	change	High	Low	int.	World	Ang	590/4	+4/2	587/0 590/4	585/0	4,881	111
20.26	-0.15	20.47	20.24	3,231	15.542	Sup	587/4	+4/4	598/0		37,008	3,160
10.90	-0.10	20.04		117,543		Jac	805/8	+4/6	005/6	500/2	2,631	64
19.53	-0.12	19.86		56,277		Total					137,534	23,785
19.20	-0.14	19.28	19.20	27,485	8,454	M SOY	ABEAN	OIL CE	ST (60,0	000tbs:	cents/R	o)
19.02	-0.11	19.02		20,298	6,272	May	25.63	+0.15	25.85	25.45	17,627	2.511
18.79	-0.15	18.79		14,823	3,589	Jel	25.31	+0.10	25.38		33,249	5,709
				362,011	WATT .	Aug	25.27	+0.16	25.27	25.12	8,615	749
DE OIL	PE (S	benel)			<u> </u>	Sap	25.20	+0.12	25,22	25.05	8,307	844
Latest	Day's			Орев		Dat	25.06	+0.11	25.07	24.95	6,220	131
price	Charge	Fligh	Low	lat	Vol	Dec	24.87	+0,11	24.90	24.75	14,327	1,155
18.67	-0.12	18.83	18.61	66,748	30,079	Total					88,738	10,957
18.16	-0.11	18.33	18.14	21,440	14,339		ABEAN		०८ा (१	UU toné	; \$/TON	
17.87	-0.06	17.97	17.B3	15,328	5,958	. May	164.0	+0.5	164.1		18,027	4,801
17.54	-0.64		17.65	9,270	2,305	Jul	169.3	+0.8	169.4		37,134	6,814
17.53	-0.12	17.57	17.48	7,655	1,137 105	Ang	171.3	+0.7	171.5		10,027	671
17.39	-0.06	17.39	17.39	2,701 1 <b>42,496</b>		Sep	173.2	+8.6	173.5	171.8	7,600	539
		w				Oct Dec	175.3 178.3	+0.5	175.4		10,133 13,9 <b>6</b> 0	468 1,133
ING C	AL KYM	X (42,00	US GE	in; cls	(James)	Total	175-3	70.3	178.8		98,057	14,453
	Day's			Open			ATOES	LCE IF	tonnet			
Palce	Spatial	-	Low	<b>=</b>	Tol		_	_	_	24D -	167	4
50.70	+0.06	50.75	50.35		11,482	May	310.5 250.0	-3.0	315.0	310.5	10/	•
50.80	+0.05	50.86		32,250	. 8,434	Hor	105.6	•	· -	٠. [		
50.95 51.20	-0.05	\$0.95 81.20	50.65 51.16	20,316 B,809	2,432 1,241	Mar	250.0	- 5			-	
51.70	-0.02	51.80	31.70	5,282	105	Apr '	119.6	-4.5	123.5	119.0	216	88
52.55	-0.15	52.55	52.55	4,855	383	· · 12my	135.0	-1.0	-	-	. 2	-
				126,894	28,408	Total					387	92
Oil. Se	(\$/borne	a a				■ FRE	жыт (В	FFEX)	LCE (\$1	0/Inde	point)	
_				Open		- Apr	2325	+34 ·	2330	2321	665	34
Sett	Day's charge	Bioh	Low	upoe ext	. Wol	Nay	2332	+62	2332	2300	1,098	130
•		180.50			8,498	· Jan	2230	+60	2220	2198	251	50
158,75 157,00		158.25			8,97B	Jol	2036	+45	2035	2000	1,098	15
156.00	+0.75	157.25	158.00	14,189	2.054	Oct Jana	1995 1999	+30	1995	1990	1,127 417	31
167.00		158.00		4,223	1,381	Jana Tetal	1569	+11	-	-	4,646	286
158 50		158.00		4.793	202						-Anna	. 200

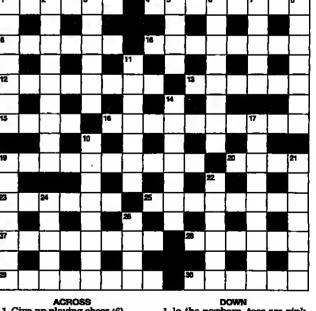
164.00	+0.75	164.00	183.75		19,412	1847	2316	2299	
TURAL C	EAS IM	MEX (10.	000 mm	Biu; \$/6	<b>mBtrr)</b>				
	Bay's	15-4	Law	Open let	Voi				
	ووعددك	-							
1,716	+0.050	1.730	1.705	2,601	33,364				•
1.735	+0.012	1,740	1.725	26,584	17,403	Tee			
1,738	+0.010	1,745	1.725	20,220	4,030	- Them.		ale comment class	nend reports the
1,740	+0.007	1.750	1.735	15,174	3,023	Tee's 6	-	Association F	righter liquoring
1.778	+0.006	1.780	1.770	15,828	3,076	Xaras :	and B	TO THE THE PARTY	d well at steady
1,540	+0.004	1,540	1.840	12,003	.1,369	rates wi		a.a etmon feetu	re. Mediums were
				148,892	54,844	irrecute	and	plainer Africans	met more imited
n EADED	CARO	e mbc				enculry	and v	were generally 3	-5p easier where
NEX (45'00)		- rdB c	ا علاد			sold O	<b>Fishore</b>	e- salective der	nand with prices
EX PASSES	, us yes	.,	· · · ·						r. Best available
	Day's			· Opeq		145p/kg	F 8000	d: 126p/kg, goo	d medium: 108p/
price	chenge	High.	Low	<b>int</b>	Yol	kg, med	fian: 9	30p/kg, low med	lum: 78p/kg. The
62.55	-0.65	83.50	82.50	23,645	15,285			realised this wee	k was 146p for a
61.65	-0.31	82.25	81.5S	32,912	11,340	Kanya p	OT.1		
60.30		80.79				1 .			
50.20	-0.16	59.42	59.15	5.866	2307	1 .	-		
57.90		58.00	57.85	2,933	241	i			
	-0.80			1.773	145	- 1		٠.	

Jul Sep Dec	985 1004 1027	-8 -7 -5	990 1010 1030	1003	21,173 19,087 23,772	437
Mar.	1049	-4	1050	1046	24,337	328
May Total	1059	-4	1059		6,196 121,213	
	OA CSC	Æ (10 t	pnnes;		-	
May	1391	-8	1405			
Jed Sep	1397 1411	-9	1407 1423		29,091	9,835
Dec	1446	-1	1453	1442	10,328	564
Mar May	1478 1497	1	1486	1479	6,044	
Total						12,109
	OA (ICC	O) (SD				
Apr 21 Delly			953.8		Prev. 93	day 4.88
■ COF	PEE LCE	(\$/ton	ne)			
May Jul	3198 3193	+11 +20	3202 3195	3160 3166	7,500	1,758
Sap	3156	+23	3160	3138	9,188	279
Her Jap	3141 3123	+38	3141 3123	3106 3090	1,930 310	50
Na.	3105	+55	3116	3105	В	5
	EEE UM	CECE !	97 660	her an-	34,977 to/be)	4,113
May May	175.05	_	175.50		888	342
Jul	178.30	+2.00	179.20	174,90	17,961	6,335
Sep Doc	180.56 181.75	+240	181.15 182.50	176.80	7,545 5,495	1,234 79
Nar-	182.75	+2.70		182.50	1,711	63
May Total	183.75	+3,50			54 33,776	8 D80
	PEE (ICC	n cus o	ents/po	(brauc	30p 70	4,000
Apr 21			Price		Pres.	day
Comp. da 15 day e			_ 163.32 _ 158.00			1.43 7.56
	PREMIU	M RAY				
libry	. 13.55	-0.45	-	-	1,257	-
Jal Oct	13.20 12.58	+0.75 -0.85	-	-	2,360	-
Jac	13.25	-1145	:	- :	- :	
Mar Total	12.03	-		-	2,000 8,027	
	E SUGA	R LCE	&/tonr	ne)	-	
Aug.	341.2	-3.5	350.5	341.0	13,388	
Oct Dec	308.0 301.2	-5.4 -4.5	319.0 311.0	307.D 303.5	4,582 2,207	327 93
ilar May	300.2	-3.5	309.0	300.0	1,268	268
May Asso	299.9 299.6	-29 -23	301.D	299.6	290 138	6
Total					21,910	2,612
SUG/ Niny	12.99	-0.25	13.39		26,567	E 505
bul .	11.70	-0.27	12.04	11.55	59,522	8,050
Oct Www	11.04 10.84	-0.25 -0.23	11.30 11.10	10.92	34, 139 19,572	3,034
Oct Mir May Jul	10.72	-0.23	10.90	10.72	5,708	165
Jel Tetal	10.58	-0.23	10.85	10.63	5,331 51,740	100 18,774
	TON NY	CE (50,	000lbs;			
Nay	116.88			114.50	3,254	
Jel Det	107.45 85.25	+1.65 +1.54	107.50 85.30	154.00 63.70	19,817 9,175	
Dec	79.56	+1.01	79.65	78.55	25,636	3,855
iter Kay	80.60 80.80	+0.95	80.60 80.95	79.80 80.45	7,488 2,461	404 164
Total					67,982	15,840
	NGE JUI					
iley Jul	108.50 113.10		109.60 114.30	108.30 113.05	5,763 1 <b>4,28</b> 2	
Sap	116.05	-0.96	116.60	110.90	6,649 2,250	221
iter isa	· 110.90 112.50	-0.15	112.50 112.50	111.70	2,706	01 161
Mar Fotal	114.50		114.50	114,50	513 63,807	4.285
VOLU	ME DAT	and '	/otume	deta	shown	for
VOLUI Open		and V no be	COME	X, NY	WEX. (	28ा.।

Sep Dec	1411	-9 -4			14,520		Pat				42.400 40.075	4,817 3,686	390
	1446	-1			10,328		Dec				40.900	3,769	277
Mar	1478	- 1		1479	6,044		Feb				41.900	1,157	48
May Total	1497	-1			4,543 75,860		Apr Total	41.775	-0.050	41.775	41.500	356 27,511	4,876
	COA (ICC	O IED	D's Ann	no.	10400	12,100		RK BELL	ES C	es un	NN18		
	TOTAL PROCESSION	U) (OD			_	_							
Apr 21 Delly			953.8t		Press.	4.88	May Jed	39.850		40.000		2,926 3,783	731 1,084
			_ 0	•			Aug			37.825		772	117
E COF	FFEE LCE	(\$/ton	ine)				Feb	48.625				154	37
May	3198	+11	3202	3160	7,500	1.750	Total	47.800	-0.800	48.000	47.800	19 7,855	1,965
Jul	3193	+20			16,037		MULAN					,,,,,,	1,000
Sap	3156	+23		3138									
May	3141	+38		3106			101	IDON	т	۸DĖ	n 0	DT10	NIC.
Jap Mar	3123 3105	+45	3123 3116	3090 3105									
Total					34,977			price \$			alls	Ра	uts
M COE	FFEE 'C'	CSCE	37,500	bs; cer	rts/lbs)			INTENEUM	l	•	Na.		No.
Higy	175.05	+2.20	175.50	171.35	888	342	(99.7%	•		Aug 159	Nov 187	73	Nov 115
Jul	178.30	+2.00	179.20	174,90	17,961						163	95	137
Sep	180.56		181.15 182.50				2000 -			_ 108	140	120	263
Dec	182.75		182.75				E CO						
May	183.75				64		•	A) LME		Aug	Nov	Aug	Nov
Total					33,776	8,060					83 65	78 104	141 172
■ COF	THE (ICC	(US (	ents/pc	ound)			2900				51	134	205
Apr 21			Price		Prov.		■ CO1	FFEE LC		Jul	Sep	Jul	Sep
Comp. da	aby waraga		163.32 153.04			1.43 7.56	3050 _			262	323	116	217
	PREMIU						3100			203	298 274	140 164	242 268
								COA LCE		الد	Sep	, lead	Sep
Jiby Jul	13.55	-0.45 +0.75	- :	- :	1,257 2,360		900			_ 95	122	10	16
Oct	12.58			-	-	-	925				104	15	25
Jac	13.25	-	-	-	2000	-					88	24	34
Mar Total	12.03	-		-	2,000 8,027			ENT CRU			Oct 80	34 37	Oct
	TE SUGA	IR LCF	&/ton	neà	-part						80 62	37 58	81 113
Aug	341.2	-3.5	350.5		13,388	1.011	1850			. 44	46	84	147
Oct	308.0	-5.4	319.0	307.0	4,582	327			-	·			_
Dec	301.2	-4.5	311.0	303.5	2,207	93		IDON				KET:	S
jihr Mari	300.2 299.9	-3.5 -2.9	309.0	300.0	1,268 290	268	■ CRU	JDÉ ČEL	FOB (p	er barn	el/Jun)		+or-
May Ang	299.6	-23	301.0	299.6	290 138	6	Dubai			517	.55-7.8	6w -0	).180
Total					21,910	-	. Brent &	Mend (de		\$1	8.95-9.0	05 -(	1.315
■ SUG	WR 41'	SCE (	112,000	illos; ce	nte/lbs)			Slend (Ju 1pm est			154-8.5 113-0.1		0.080 0.035
Niny	12.99	-0,25	13.39		26,567			PRODU					
Jol	11.70	-0.27	12.04		59,522								-A-10)
Oct War	11.04 10.84	-0.25 -0.23	11.30 11.10		34,139 19,572			m Gasoli	ne		198-19		
May	10.72	-0.23	10.90	10.72	5,708	165	Gas Oi Hagyy	fuel Oil			162-164 103-104		+1.5 -3
Jel Total	10.58	-0.23	10.85		5,331 151,740 1	100	Naphih	8		\$	170-172	2	+1
	TON NY	CE (50)	000			-01117	Jet fue				173-174 182-184		-2
		رلحتم عب				2 455	Diesel Petroleu	m Argus.	Tel. Lon		163-166 11) 369 8		-2
			117.20		3,254 19,817		■ OTI	_		,			
Nay Jet	116.88			164.00									
Jul Det	116.88 107.45 85.25	+1.65 +1.54	107.50 85.30	63.70	9,176		Cold to		-12	_	1904 40		0.00
Jul Det Dec	116.88 107.45 85.25 79.58	+1.65 +1.54 +1.01	107.50 85.30 79.85	63.70 78.55	9,176 25,636	3,855		er troy o			391.40 570.50c		0.90
Jul Oct Dec Mar	116.88 107.45 85.25 79.56 80.80	+1.65 +1.54 +1.01 +0.95	107.50 85.30 79.85 80.60	63.70 78.55 79.80	9,175 25,636 7,488	3,855 404	Sliver (	per troy o	oz)축 by oz.)		70.50c	+	3.00 0.15
Jul Oct Dec	116.88 107.45 85.25 79.56 80.80	+1.65 +1.54 +1.01	107.50 85.30 79.85 80.60	63.70 78.55	9,175 25,636 7,488	3,855 404 164	Sliver ( Platinus Pallecia	per troy o per troy m (per tr um (per t	oz)축 by oz.) roy oz.	, ,	570.50c 443.40 165.50		3.00 0.15 0.50
Jul Det Dec Mar Mny Total	116.88 107.45 85.25 79.56 80.80	+1.65 +1.54 +1.01 +0.95 +0.75	107.50 85.30 79.85 80.60 80.95	63.70 78.55 79.80 80.45	8,175 25,636 7,488 2,461 67,9821	3,855 404 164 15,849	Sliver ( Platinus Pallacia Copper	per troy of per troy on toper troy um (per to (US pro	0 <b>2)축</b> 3y 02_) 10y 02_ d.)	, ,	570.50c 443.40 1165.50 137.0c		3.00 0.15
Jul Det Dec Mar Siny Total BI ORA May	116.88 107.45 85.25 79.56 80.80 80.80 MGE JUI	+1.55 +1.54 +1.01 +0.95 +0.75 CE NY	107.50 85.30 79.85 80.60 80.95 CE (15,1	63.70 78.55 79.80 80.45 000lbs;	8,175 25,636 7,488 2,461 67,9821 cents/l	3,855 404 164 15,849 bss)	Silver ( Platinus Pallacia Copper Lead (L	per troy o per troy m (per tr um (per t	oz)-Şi oy oz.) roy oz. d.)	, ,	570.50c 443.40 165.50	+	3.00 0.15 0.50
Jul Det Dec Mar Siny Total El ORA	116.88 107.45 85.25 79.56 80.80 80.80 MGE JUI	+1.65 +1.54 +1.01 +0.95 +0.75 CE NY -1.15 -1.10	107.50 85.30 79.85 80.60 80.95 CE (15,1 109.60 114.30	63.70 78.55 79.80 80.45 0008bs; 108.30 113.05	9,175 25,636 7,488 2,461 67,9821 cents/l 5,763 14,282	3,855 404 154 15,849 but) 1,846 1,855	Silver ( Platinus Palleck Copper Lead (L Tin (Ku Tin (Ne	per troy of per troy of m (per troy m (per tro (US prod.) (US prod.) (S prod.) (S prod.)	oz): oy oz.) roy oz. d.) sur)		570.50c 443.40 165.50 137.0c 41.75c	+	3.00 0.15 0.50 +2.0 0.15
Jul Det Dec Mar Siny Total III ORA May Jul Sup	116.88 107.45 85.25 79.56 80.60 80.80 108.50 113.10 116.05	+1.65 +1.54 +1.91 +0.95 +0.75 CE NY -1.15 -1.10 -0.90	107.50 85.30 79.85 80.60 80.95 CE (15,1 109.60 114.30 116.60	63.70 78.55 79.80 80.45 00085e; 108.30 113.05 110.90	9,175 25,636 7,488 2,461 67,9821 cents/l 5,763 14,282 6,649	3,855 404 154 15,849 bu) 1,846 1,855 221	Silver ( Platinus Pallacia Copper Lead ( Tin (Ku Tin (Ne Cattle (	per troy of per troy of m (per troy m (per tro (US prod.) S prod.) elg. Lump w York) live weig	nc)	) 4 2 1	570.50c 443.40 165.50 137.0c 41.75c 14.25m 286.50c	+	3.00 0.15 0.50 +2.0 0.15
Jul Det Dec Mar Siny Total M ORA May	116.88 107.45 85.25 79.56 80.80 80.80 MGE JUI	+1.65 +1.54 +1.01 +0.95 +0.75 -1.15 -1.10 -0.96 -0.15	107.50 85.30 79.85 80.60 80.95 CE (15, 109.60 114.30 116.60 112.50	63.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70	9,175 25,636 7,488 2,461 67,9821 cents/l 5,763 14,282	3,855 404 154 15,849 but) 1,846 1,855	Silver ( Platinus Palleck Coppes Lead ( Tin (Ne Tin (Ne Cattle ( Sheep	per troy of per troy of m (per tro m (per tro (US prod.) als Lump als Lump w York) live weig (five weig	102)	)	570.50c 443.40 1165.50 137.0c 41.75c 14.25m 286.50c 122.17p  \$1.58p	+	3.00 0.15 0.50 +2.0 0.15
Juli Dec Dec Mar Hay Total E ORA Hay Juli Sup Mar	116.88 107.45 85.25 79.56 80.60 80.80 108.50 113.10 116.05 110.90	+1.65 +1.54 +1.01 +0.95 +0.75 -1.15 -1.10 -0.96 -0.15	107.50 85.30 79.85 80.60 80.95 CE (15,1 109.60 114.30 116.60 112.50	63.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70	9,175 25,636 7,488 2,461 67,9821 5,763 14,282 6,549 2,250 2,706 613	3,855 404 164 15,849 (56) 1,846 1,956 221 01 161	Silver ( Platinum Patiecki Copper Leed ( Tin (No Cattle ( Sheep Pigs (in	per troy of per troy of m (per tr m (per tr (US prod.) Els prod.) els Lump w York) Elve weight we weight	oz) by oz.) roy oz. d.) sur) ht)† ht)† ht)†	)	570.50c 443.40 165.50 137.0c 41.75c 14.25m 286.50c  22.17p  51.56p  88.75p	+	3.00 0.15 0.50 +2.0 0.15
Juli Dec Dec Mar Hay Total E ORA Hay Juli Sup Mar	116.88 107.45 85.25 79.56 80.60 80.80 108.50 113.10 116.05 110.90 112.50	+1.65 +1.54 +1.01 +0.95 +0.75 -1.15 -1.10 -0.96 -0.15	107.50 85.30 79.85 80.60 80.95 CE (15, 109.60 114.30 116.60 112.50	63.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70	9,175 25,636 7,488 2,461 67,9821 5,763 14,282 6,649 2,250 2,706	3,855 404 164 15,849 bss) 1,846 1,956 221 01 161	Silver ( Platinus Pallacia Coppes Lead ( Tin (Ne) Cattle ( Sheep Pigs (h Lon. de	per troy of per troy or m (per tr IIII) ger tr (US prod.) By prod.) W York) By weigh By weigh w weigh w weigh w weigh w suger ny suger	oz)	2 2 1	570.50c 4443.40 165.50 137.0c 41.75c 14.25m 286.50c 22.17p \$1.55p 88.75p \$342.3 \$364.5	***	3.00 0.15 0.50 -2.0 0.15 1.23 1.23 1.53
Juli Dec Mar May Total E ORA May Juli Sup Mar Mar	116.88 107.45 85.25 79.56 80.60 80.80 108.50 113.10 116.05 110.90 112.50	+1.65 +1.54 +1.01 +0.95 +0.75 -1.15 -1.10 -0.96 -0.15	107.50 85.30 79.85 80.60 80.95 CE (15, 109.60 114.30 116.60 112.50	63.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70	9,175 25,636 7,488 2,461 67,9821 5,763 14,282 6,549 2,250 2,706 613	3,855 404 164 15,849 bss) 1,846 1,956 221 01 161	Silver ( Platinus Pallecia Coppes Lead ( Tin (Ne Cattle ( Sheep Pigs (h Lon. de Lon. de	per troy of per troy of per troy in (per tr (US prod.) (By prod.) (By prod.) (By prod.) (By weight (By weight y weight y suger ty suger Lyle super	oz)	2 2 1	570.50c 443.40 165.50 137.0c 41.75c 14.25m 286.50c 22.17p (\$1.56p 88.75p	***	3.00 0.15 0.50 -2.0 0.15 1.23 1.23
Juli Det Dec Bissy Total III ORA Hisy Juli Sup Rar Juan Mer Total	116.88 107.45 85.25 79.56 80.80 80.80 108.50 113.10 116.05 110.90 112.50	+1.65 +1.54 +1.01 +0.95 +0.75 -1.15 -1.10 -0.96 -0.85 -0.15	107.50 85.30 79.85 80.95 80.95 CE (15, 109.60 114.30 116.60 112.50 114.50	83.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70 114.50	9,175 25,636 7,488 2,461 5,762 1; cents/l 5,763 14,282 6,549 2,250 2,706 513 83,807	3,855 404 154 15,848 bs) 1,846 1,955 221 01 181 4,265	Silver ( Pistinus Paliedis Copper Leed ( Tin (Ne Cattle ( Sheep Pigs (h Lon. de Tato & Barley	per troy of per troy of per troy of the trong of tron	oz)를 by cz.) cu) ur) ht)† ht)† frew) (wte) ort d)	2 1	570.50c 4443.40 1165.50 137.0c 41.75c 14.25m 286.50c 122.17p 151.58p 88.75p \$342.3 \$364.5 1325.0 Unq.	***	3.00 0.15 0.50 -2.0 0.15 1.23 1.23 1.53
Juli Oct Mar Mar Siny Total III ORA May Juli Sup Juli Sup Juli Sup Total	116.88 107.45 85.25 79.25 80.80 80.80 108.50 113.10 116.05 112.50 114.50	+1.65 +1.54 +1.91 +0.95 +0.75 -1.15 -1.10 -0.96 -0.85 -0.15	107.50 85.30 79.85 80.95 80.95 114.30 116.60 112.50 114.50	63.70 78.55 79.80 80.45 108.30 110.90 110.90 111.70 114.50	9,175 25,636 7,488 2,461 67,982 1 5,763 14,282 2,250 2,706 513 53,807	3,855 404 154 15,849 ba) 1,846 1,856 221 01 181 4,265	Silver ( Pistinus Pallecik Copper Lead ( Tin (Nu Tin (Nu Tin (Ne Cattle ( Sheep Pigs (h Lon. da Lon. da Rariey Matze (	per troy of per troy of per troy of per troy of per tro (US prod.)	oz) (i by cz.) cl) ur) ur) ht)† (reu) (wte) ort d) Yellow)		570.50c 4443.40 1165.50 137.0c 41.75c 14.25m 296.50c 122.17p 122.17p 151.58p 1	***	3.00 0.15 0.50 -2.0 0.15 1.23 1.23 1.53
Juli Det Bee Blar Bry Total GRA May Juli ORA May Juli Nier Juli VOLU Open Control	116.88 107.45 85.25 79.55 80.80 80.80 108.50 113.10 116.05 111.50 114.50	+1.65 +1.54 +1.95 +0.75 CE NY -1.15 -1.10 -0.90 -0.85 -0.15 A and ed on	107.50 85.30 79.85 80.60 80.95 CE (15, 108.60 114.50 114.50 114.50 114.50	83.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70 114.50	9,175 25,636 7,488 2,461 67,982 5,763 14,282 6,849 2,250 2,756 513 83,807	3,855 404 154 15,849 bs) 1,846 1,855 221 01 161 4,265	Silver ( Pistinum Palische Coppes Lead ( Tin (Na Tin (Na Cattle ) Sheep Pigs (h Lon. da Lon. da Lon. da Whest Whest	per troy of per troy of per troy of per troy of the per troy o	oz) (i by cz.) cl) ur) ur) ht)† (reu) (wte) ort d) Yellow)		570.50c 6443.40 1165.50 137.0c 41.75c 14.25m 286.50c 122.17p 581.75p 581.75p \$342.3 \$364.5 2325.0 Unq. 2144.0 2165.0	******	3.00 0.15 0.50 +2.0 0.15 1.23 1.53 4.4 +6.0 +1.0
Juli Det Dee Har Hay Total DCA Hay Juli Sep Har Juni Mer Total Copen contra NYCE	116.88 107.45 85.25 79.25 80.80 80.80 108.50 113.10 116.05 112.50 114.50	+1.65 +1.54 +1.91 +0.95 +0.75 CE NY -1.15 -1.10 -0.96 -0.15 -0.15 A and on SCE a	107.50 85.30 79.85 80.60 80.95 CE (15, 108.60 114.50 114.50 114.50 114.50	83.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70 114.50	9,175 25,636 7,488 2,461 67,982 5,763 14,282 6,849 2,250 2,756 513 83,807	3,855 404 154 15,849 bs) 1,846 1,855 221 01 161 4,265	Silver ( Pistinum Palleski Copper Lead ( Tin (Ne Cattle ( Sheep Pigs ( Lon. de	per troy of per troy of per troy of per troy of the per troy o	oz)- by cz.) roy cz. d.) wir) hith- hith- inith- inith- wire) ort yellow; Yellow; Northi		570.50c 6443.40 1165.50 137.0c 41.75c 14.25m 196.50c 122.17p 151.58p 188.75p 183.42.3 183.45 183.50 191.44.0 1165.0 118.50p 118.00p	****	3.00 0.15 0.50 +2.0 0.15 1.23 0.53 -4.4 +6.0 +1.0
Juli Det Dee Har Hay Total DCA Hay Juli Sep Har Juni Mer Total Copen contra NYCE	116.88 107.45 85.25 79.55 80.80 80.80 108.50 113.10 116.90 112.50 114.50	+1.65 +1.54 +1.91 +0.95 +0.75 CE NY -1.15 -1.10 -0.96 -0.15 -0.15 A and on SCE a	107.50 85.30 79.85 80.60 80.95 CE (15, 108.60 114.50 114.50 114.50 114.50	83.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70 114.50	9,175 25,636 7,488 2,461 67,982 5,763 14,282 6,849 2,250 2,756 513 83,807	3,855 404 154 15,849 bs) 1,846 1,855 221 01 161 4,265	Silver ( Pistinum Paliseki Copper Lead ( Tin (Ne) Cattle ( Sheep Pigs ( Lon. de Lon. de Lon. de Lon. de Lon. de Rariey Mester ( Whest Rubber Rubber	per troy ( per troy ( per troy ( m tper troy ( ll.S prod.) lis prod.) lis prod.) live weight we weight y suger Lyle exp (Eng. fee US Nos (US Dark (May) (Ka.RSS)	oz) ( by cz.) roy cz. cl.) sur) filitité if (rusu) (wte) ot) Yellow, North		570.50c 4443.40 137.0c 41.75c 14.25m 286.50c 22.17p 88.75p 88.75p \$342.3 \$364.5 225.0 Unq. 2144.0 2165.0p 18.50p 18.00p 145.0m	****	3.00 0.15 0.50 +2.0 0.15 1.23 0.53 -4.4 +6.0 +1.0
Juli Det Dee Har Hay Total DCA Hay Juli Sep Har Juni Mer Total Copen contra NYCE	116.88 107.45 85.25 79.55 80.80 80.80 108.50 113.10 116.90 112.50 114.50	+1.65 +1.54 +1.91 +0.95 +0.75 CE NY -1.15 -1.10 -0.96 -0.15 -0.15 A and on SCE a	107.50 85.30 79.85 80.60 80.95 CE (15, 108.60 114.50 114.50 114.50 114.50	83.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70 114.50	9,175 25,636 7,488 2,461 67,982 5,763 14,282 6,849 2,250 2,756 513 83,807	3,855 404 154 15,849 bs) 1,846 1,855 221 01 161 4,265	Silver ( Pisthrum Palledie Copper Lead ( Tin (Ne) Cattle ( Sheep Pige ( th Lon. de Lon	per troy of the per troy of th	oz) ( py coz.) roy coz. cl.) with high (wite) out d) Yellow/ North North		570.50c \$443.40 \$165.50 137.0c 41.75c 14.25m 282.17p \$1.55p \$3.54.5 \$364.5 \$364.5 \$25.0 Unq. \$144.0 \$165.0 \$15.0p \$45.0m \$610.0y	****	3.00 0.15 0.50 1.20 0.15 1.23 1.53 1.44 1.6.0 1.00 1.00 2.5
Jud Det	116.88 107.45 85.25 79.56 80.80 80.80 108.50 113.10 116.05 112.50 112.50 112.50	+1.65 +1.54 +1.91 +0.95 +0.75 CE NY -1.15 -1.10 -0.96 -0.15 -0.15 A and on SCE a	107.50 85.30 79.85 80.60 80.95 CE (15, 108.60 114.50 114.50 114.50 114.50	83.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70 114.50	9,175 25,636 7,488 2,461 67,982 5,763 14,282 6,849 2,250 2,756 513 83,807	3,855 404 154 15,849 bs) 1,846 1,855 221 01 161 4,265	Silver ( Pistinum Pallestin Copper Lead ( Tin (Ne Tin (Ne Cattle ( Sheep Pige ( Lon. de Lon. d	per troy of the per troy of th	oz) ( py coz.) roy coz. cl.) with high (wite) out d) Yellow/ North North		570.50c \$443.40 \$165.50 137.0c 41.75c 14.25m 286.50c 122.175 \$1.58p \$342.3 \$364.5 \$2325.0 Unq. \$144.0 \$165.0 \$18.50p \$18.50p \$18.50p \$18.50p \$18.50p \$18.50p \$18.50p \$18.50p \$18.50p \$18.50p \$18.50p \$18.50p \$18.50p	****	3.00 0.15 0.50 0.20 0.15 1.23 1.53 1.6.0 1.00 1.00 2.5
Jed Det Dec Har Hay Total H ORA Hay Jed Har Total VOLU Open NYCE day ir	116.88 107.45 25.25 79.56 80.80 80.80 108.50 113.10 116.05 110.90 112.50 112.50 114.50 114.50	+1.65 +1.54 +1.54 +1.54 +0.95 +0.75 -1.15 -0.10 -0.90 -0.15 -0.15 -0.15 A and on SSCE a	107.50 85.30 79.85 80.60 80.95 CE (15, 108.60 114.30 112.50 112.50 114.50 Volume COME and IPE	63.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70 114.50 deta X, NY/ Crude	9,175 25,636 7,488 2,461 67,982 5,763 14,282 6,849 2,250 2,756 513 83,807	3,855 404 154 15,849 bs) 1,846 1,855 221 01 161 4,265	Silver ( Pisthum Palledia Copper Lead ( Tin (Ne) Tin (Ne) Cattle ( Sheep Pige ( Tatte & Barley   Malze ( Whest I Rubber Rubber Rubber Copper   Soyabe	per troy of the pe	oz) - A by cz.) cl.) um) http: (wte) ch (wte) ch		570.50c \$443.40 \$165.50 137.0c 41.75c 14.25m 282.17p \$1.55p \$3.54.5 \$364.5 \$364.5 \$25.0 Unq. \$144.0 \$165.0 \$15.0p \$45.0m \$610.0y	****	3.00 0.15 0.50 1.20 0.15 1.23 1.53 1.44 1.6.0 1.00 1.00 2.5
Jud Det Dec Bec Hary Total E ORA Hary Jud Sup Rhr Total VOLU Open contric NYCE day is	116.88 197.45 85.25 79.56 80.80 80.80 108.50 113.10 116.55 110.90 112.50 112.50 114.50 114.50 114.50	+1.85 +1.91 +1.91 +1.91 +1.95 +0.75 CE NY -1.15 -1.10 -0.90 -0.15 -0.15 -0.15 -0.15 -0.15 -0.15	107.50 85.30 79.85 80.60 80.95 CE (15, 108.60 114.50 112.50 114.50 114.50 114.50 114.50 114.50	63.70 78.50 80.45 90.055 1108.90 1113.05 1113.90 1114.50 detta X, NYY Grude	9,175 25,686 7,488 2,461 67,8821 cente/l 5,763 14,282 6,549 2,250 513 83,807 shown MEX, COR are	3,855 404 15,849 15,849 1,846 1,935 221 01 181 4,265 for 23T, cone	Silver ( Pathra ( Pat	per troy of the per troy of th	DZ) \$\frac{1}{2} \text{DZ}		570.50c 4443.40 1165.50 137.0c 41.75c 14.25m 988.50e 122.17p 151.56p 88.75p 83.42.3 \$384.5 1325.0 Unq. 114.00 116.00 116.00 116.00 117.20c	****	3.00 0.15 0.50 0.20 0.15 1.23 1.53 1.6.0 1.00 1.00 2.5
Jed Det Det Bee Har Help Total E ORA Hay Jed Har Total VOLU Open NYCE day ir	116.88 107.45 85.25 79.56 80.80 80.80 108.50 113.10 116.05 1116.05 1112.50 114.50 114.50	+1.65 +1.54 +1.54 +1.54 +0.95 +0.75 -1.15 -1.10 -0.90 -0.85 -0.15 -0.15 A and on SSCE a	107.50 85.30 80.90 80.95 CE (15, 114.30 114.50 112.50 114.50 114.50 114.50 114.50	63.70 78.55 79.80 80.45 108.30 113.05 110.90 111.70 114.50 deta X, NY/ Crude	9,175 25,686 7,488 2,461 67,8821 cente/l 5,763 14,282 6,549 2,250 513 83,807 shown MEX, COR are	3,855 404 104 105,849 ba) 1,846 1,856 221 01 181 4,225 for 35T, one	Silver ( Pathra ( Pat	per troy of the pe	DZ) \$\frac{1}{2} \text{DZ}		570.50c 5443.40 1487.0c 41.75c 14.25m 14.25m 1888.50e 122.17p 51.58p 8342.3 \$364.5 135.00 118.00p 145.00 165.0 161.00y 620.00q 4413.0u 16168.0	****	3.00 0.15 0.50 0.20 0.15 1.23 1.23 1.00 1.00 1.00 2.5
Jed Det	116.88 107.45 85.25 79.56 80.80 80.80 108.50 113.10 116.05 1116.05 1112.50 114.50 114.50	+1.65 +1.51 +1.91 +0.95 +0.75 -1.10 -0.85 -0.15 -0.15 -0.15 -0.15 -0.15 -0.15 -0.15 -0.15 -0.15 -0.15 -0.15	107.50 85.30 79.85 80.60 80.95 CE (15, 114.90 114.90 114.90 114.90 114.90 114.90	63.70 78.55 78.59 80.45 80.45 108.30 113.05 110.90 111.70 114.50 deta 0X, NY Crude	9,175 25,636 7,488 2,461 67,8821 5,763 14,282 6,549 2,796 2,796 81,0040 MEX, CORRESS Vents Vents	3,855 404 104 105,849 ba) 1,846 1,856 221 01 181 4,225 for 35T, one	Silver ( Pistinum Paliscia Copper Lead ( Tin (Ne) Tin (Ne) Cattle ( Sheep Piga (In Lon. de Lon	per troy of per troy. If the per troy of the p	property of the property of th		570.50c0 444.50c 444.50c 441.75c 441.75c 441.75c 441.75c 441.75c 541.75c 541.7	+ + + + + + + + + + + + + + + + + + +	3.00 0.15 0.20 0.15 1.23 0.15 1.23 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.0
Jud Dec Dec Blar Blay Total Sup Blar Total COPA Blay INDIC Blar REU Apr 2341	116.88 107.45 85.25 79.56 80.80 108.50 113.10 116.05 1114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50	+1.65 +1.54 +1.61 +1.61 +1.61 +1.62 +1.61 +1.62	107.50 85.30 80.60 80.95 CE (15, 114.50 114.50 114.50 Volume COME PE 9951=1 moore 1967=1 moore	63.70 78.55 78.80 80.45 80.45 108.30 113.95 111.90 111.70 114.50 deta X, NY/ Grude	9,776 25,538 7,483 2,461 6,762 5,763 14,282 2,750 6,549 2,250 2,706 6,549 2,250 2,706 810 810 810 810 810 810 810 810 810 810	3,855 404 184 184 18,849 but 1,846 221 11,855 221 01 181 4,255 607 28T, coras	Silver ( Pistinum Paliscia Copper Lead ( Tin ( Ve Tin ( Ve) Cattle ( Sheep Piga ( N Lon. de Lo	per troy of per troy. If the per troy of the troy	poly (2.)  d.)  un)  hith hith hith hith hith hith hith hit	S S S S S S S S S S S S S S S S S S S	770,500 4443,400 1165,500 1165,500 1137,00 414,750 1142,500 1144,250 1144,00 115,500 115,500 115,500 115,500 115,000 1	+ + + + + + + + + + + + + + + + + + +	3.00 0.15 0.20 0.15 1.23 1.23 1.00 1.00 1.00 2.5 1.00 0.40
Jed Dec	116.88 107.45 85.25 79.56 80.80 108.50 113.10 116.05 1114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50	+1.85 +1.81 +1.81 +1.91 +0.95 +0.75 -1.15 -0.10 -0.15	107.50 85.30 80.60 80.95 CE (15, 114.50 114.50 114.50 Volume COME PE 9951=1 moore 1967=1 moore	63.70 78.55 78.89 80.45 6005bs; 108.30 113.05 110.90 111.70 114.50 deta X, NY/ Grude	9,175 2,638 7,683 2,661 67,682 1 5,763 14,282 2,763 6,649 2,250 2,763 6,649 2,250 2,763 81,007 8hOwn MEX, CO QP are	3,855 404 184 184 18,849 but 1,846 221 11,855 221 01 181 4,255 607 28T, coras	Silver ( Pathar Pathar Pathar Copper Lead R Tin (Ne) Cattle ( Sheep Pigs ( Lon. de Lon. de Lon. de Lon. de Rubber	per troy of the per troy of the per troy of the per troy of the per troy sugger by sug	poly a color of the color of th	* * * * * * * * * * * * * * * * * * *	770,500 4443,400 41465,500 137,000 414,25m 889,500 889,500 889,500 889,500 10144,00 10168,00	+ + + + + + + + + + + + + + + + + + +	3.00 0.15 0.20 0.15 1.23 1.23 1.00 1.00 1.00 2.5 1.00 0.40
Jud Dec Dec Bar Bary Total Sup Bar Total COPA Mar 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	116.88 107.45 85.25 79.56 80.80 108.50 113.10 116.05 1114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50	+1.65 +1.54 +1.61 +1.61 +1.61 +1.62 +1.61 +1.62	107.50 85.30 80.60 80.95 CE (15, 114.50 114.50 114.50 Volume COME PE 9951=1 moore 1967=1 moore	63.70 78.55 78.80 80.45 80.45 108.30 113.95 111.90 111.70 114.50 deta X, NY/ Grude	9,776 25,538 7,483 2,461 6,762 5,763 14,282 2,750 6,549 2,250 2,706 6,549 2,250 2,706 810 810 810 810 810 810 810 810 810 810	3,855 404 184 184 18,849 but 1,846 221 11,855 221 01 181 4,255 607 28T, coras	Silver ( Pathar Pathar Pathar Copper Lead R Tin (Ne) Cattle ( Sheep Pigs ( Lon. de Lon. de Lon. de Lon. de Rubber	per troy of per troy. If the per troy of the p	poly a color of the color of th	* * * * * * * * * * * * * * * * * * *	770,500 4443,400 41465,500 137,000 414,25m 889,500 889,500 889,500 889,500 10144,00 10168,00	+ + + + + + + + + + + + + + + + + + +	3.00 0.15 0.20 0.15 1.23 1.23 1.00 1.00 1.00 2.5 1.00 0.40
Jud Dec Dec Bar Bary Total Sup Bar Total COPA Mar 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	116.88 107.45 85.25 79.56 80.80 108.50 113.10 116.05 1114.50 114.50 114.50 114.50 114.50 114.50 114.50 114.50	+1.65 +1.54 +1.61 +1.61 +1.61 +1.62 +1.61 +1.62	107.50 85.30 80.60 80.95 CE (15, 114.50 114.50 114.50 Volume COME PE 9951=1 moore 1967=1 moore	63.70 78.55 78.80 80.45 80.45 108.30 113.95 111.90 111.70 114.50 deta X, NY/ Grude	9,776 25,538 7,483 2,461 6,762 5,763 14,282 2,750 6,549 2,250 2,706 6,549 2,250 2,706 810 810 810 810 810 810 810 810 810 810	3,855 404 184 184 18,849 but 1,846 221 11,855 221 181 4,255 607 25T, cons	Silver ( Pathar Pathar Pathar Copper Lead R Tin (Ne) Cattle ( Sheep Pigs ( Lon. de Lon. de Lon. de Lon. de Rubber	per troy of the per troy of the per troy of the per troy of the per troy sugar of the per troy o	poly a color of the color of th	* * * * * * * * * * * * * * * * * * *	770,500 4443,400 41465,500 137,000 414,25m 889,500 889,500 889,500 889,500 10144,00 10168,00	+ + + + + + + + + + + + + + + + + + +	3.00 0.15 0.20 0.15 1.23 1.23 1.00 1.00 1.00 2.5 1.00 0.40

# **JOTTER PAD** Soti Day's - Open price change High Low lat Vol 63,800 +0.675 63,850 63,400 30,254 9,264 44.150 +0.850 44.350 42.800 13.517 3,219 43.050 +0.300 43.100 42.400 4,817 661



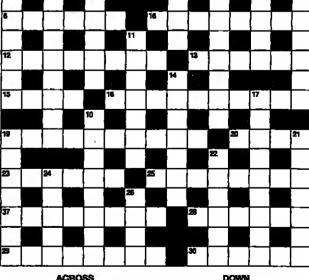


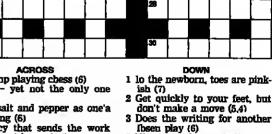
to you at home (4.4)
12 increase in work for the summer (8)

13 Dexterous, but for a doctor there's nothing to it (6)
15 Dasb of French? (4) 16 Be like others and keep up with a court action (6,4) 19 Chasing the sun? (3,7) 20 Retainer for an author (4) 23 Fish from a ship in the Wear,

(6) 27 Set back after an instrument breaks (8) Nanny makes a tea-time

29 Submitted and faced the wall





5 Kitty npset by aerobatic man-oeuvre (4) 6 Record making swallow (4,4) 7 I pick up key to look round someone's bouse (5) 8 Where one lives a little in Panama, for example (7) 11 He plays by himself (7)

14 Gaelic cheers (7) 17 The final demand in dispute (9) 18 Defence raised when things get too hot (8)

19 Nevertheless, a vow here gets broken (7)

22 What is needed is no buge change (6) 24 A cupful of fruit (5)

Solution to Saturday's prize puzzle on Saturday May 6. Solution to yesterday's prize puzzle on Monday May 8.

Madrid plans

bond strips to

Treasury paper.
Strips, which are created

when the principal and coupon

of a bond are bought and sold separately, are planned for 15-year bonds and possibly also

The plan, however, requires changes to the tax treatment of

bonds and will most probably

be launched next year, according to treasury officials.

traded in a number of other markets, including the US and

long-term liabilities and would-prefer more predictable returns

than those available from con-

The Spanish government is

also hoping that the tax

changes will tempt local insti-

tutions to move towards the

longer end of the yield curve.

Ten-year bonds were intro-

to 2.97 years in 1994 and remains shorter than in many

The tax change is necessary

because withholding tax (cur-

authorities at a rate of 25 per

cent) cannot be charged on

rently charged by the Spa

other markets.

the bond matures. . .

shorter-term instruments.

ventional investments.

France. There has also

offer strips on gilts.

The instruments are widely

for five and 10-year bonds.

## INTERNATIONAL CAPITAL MARKETS

# Treasuries lower ahead of G7 meeting

in London

US Treasury prices edged lower in quiet trading yesterday morning as investors looked to today's meeting of the Group of Seven for signals on the strength of the dollar and prepared for new supply of

bonds this week. Near midday, the benchmark 30-year Treasury was down  $\frac{1}{24}$  at 103 $\frac{10}{24}$  to yield 7.381 per cent and the two-year note was 1 lower at 1003, yielding 6.447 per cent.

Bond prices tracked the dollar in early trading. Even though the dollar was stable to higher against the Japanese yen, bonds moved into negative territory in the early morning as the US currency fell against the D-Mark.

By late morning, however, both the long and the short ends of the market pushed up close to their levels of late Fri-

By Lisa Bransten in New York day as the dollar gained and Conner Middelmann against the D-Mark. Near noon, the dollar was higher against both currencies, changing hands at Y83.28 and DM1.3768 against Y82.70 and DM1.3694 late Friday.

There was some speculation that finance ministers and central bankers from the G7 countries might decide on a co-ordinated move to bolster the value of the dollar, which has lost more than 15 per cent of its value against the yen since the start of the year.

Investors were also mindful of auctions today of \$17.75bn worth of two-year notes and tomorrow of \$11.5bn of five-

■ European bond markets were range-bound in moderate dealings yesterday as participents awaited the outcome of today's G7 meeting in Wash-

"If nothing concrete comes

mist at Bear Stearns.

"The flip-side of more dollar risk means more D-Mark crossrate strength in Europe and that spells more trouble for European bonds."

# GOVERNMENT

With investors in France and Italy digesting Sunday's election results and Swedish markets focusing on today's budget presentation, "the safest ploy for investors is to stick to safe havens Germany and Holland ... until the worst has

■ French bonds dipped at the open on the unexpected victory of Socialist candidate Mr Lionel Jospin in the first round of the presidential election.

blown over," he recommends.

spark another leg down for the dollar," predicted Mr David Brown, chief European econostronger franc and kopes that his opponent in the final round. Mr Jacques Chirac. would win the presidency.

Still, dealers noted that the rally took place on fairly thin volume and said that many investors remained sidelined. worried about currency volatility following the G7 meeting and political uncertainty in the run up to the final round of

polling on May 7.

Matif's June Notionnel futures contract rose 0.26 to 113.22. The French 10-year yield spread over bunds fluctuated wildly, from 85 basis points at the open, as low as 70 points in the afternoon and closing at 75 points.

■ German bunds had a quiet session, closing slightly higher bonds and US Treasuries. However, neither mildly encouragket impact, leaving bunds to trade on moderate volume in a narrow range.

The June hund futures contract on Liffe ended at 92.70, up 0.17 from Friday.

Italian bonds ended slightly weaker after Sunday's regional elections yielded no clear winner. Although early results indicated that the danger of a snap general election had abated, sentiment remains negative, depressed in part by Friday's bearish inflation data. The BTP future on Liffe ended at 93.50, down 0.23.

■ UK gilts ended mixed, with the shorter maturities coming under slight pressure ahead of the G7 meeting, tomorrow's auction of £2bn of 8 per cent gilts due 2000, local elections on May 4, and the May 5 mone tary meeting. The long gilt future on Liffe rose by 1 to

# Nomura **France** renounces primary dealership

By Graham Bowley

Banque Nomura France, the French arm of Nomura Securities, the Japanese brokerage. ise, yesterday renounced its status as a primary dealer in French government bonds.

Nomura said difficult conditions in world financial markets, which caused the group to suffer heavy losses in the year to March 31, has forced it to concentrate its resources on areas where it has a "strong competitive advantage".

These include the eurobond market, Japanese equities, asset securitisation, asset trading and cross-border corporate finance transactions.

Mr Daisuke Takeuchi, president of Banque Nomura France, said: The very difficult market environment has meant a restructuring of the operation in Europe is necessary." Nomura can no longer ment to its activity as a market-maker in French treasury securities, he added.

Nomura will maintain a smaller trading team in French government bonds but will no longer be a primary dealer (SVT). Its withdrawal cuts the number of SVTs to 18. The move will lead to redun-

dancies in Nomura's 60-strong bond team, although no exact figure has yet been decided ecause of possible relocations within the company. Nomura denied rumours that it was intending to stop trading in UK government bonds but said that every business area was

heing looked at. A review of Nomura's European operations has already resulted in staff cuts throughout its 15 offices. Last week, Nomura laid off 10 bond salesmen and emerging markets

traders in London.

boost demand The alternative under consideration would give The Spanish government is planning to introduce bond responsibility to the holder of the bond to declare tax on strips as part of efforts to increase local institutional imputed earnings. demand for its longer-term

There are hopes that such a system will encourage local pension and investment funds to buy longer-term paper. Although these funds are Spain hopes that stripped Treasury paper will tempt long-term investors, reports Richard Lapper in Madrid

speculation recently that the UK authorities might seek to either exempt from tax or - in the case of investment funds pay at a rate of 1 per cent, the funds face delays of up to 18 The zero-coupon bonds created by stripping are attractive months in obtaining rebated for investors such as pension funds and insurance compawithholding tax.
The authorities, meanwhile

are playing down the decline in interest in Spanish debt among foreign investors. Foreigners have reduced their holdings of pesata denominated debt from 15.53 per cent in 1993, to 11.49 per cent at the end of 1994, and to 7.55 per cent last month, according to treasurv figures. ..

. Even so, some local analysis duced in Spain only in 1990 contend that the extra pressure and many investors still prefer on domestic investors could Although the average life of prove damaging Spanish base the government's peseta debt rates have already been increased to 8.05 years in 1993 from 1.25 years in 1989, it fell increased twice this year, ris-

ing by 115 basis points.

Longer-term interest rates have also risen and the yield spread of Spanish 10-year bonds over bunds has widened to around 500 basis points, with sentiment affected by the 7 per cent devaluation of the seta in March and worries zero-coupons since no cash about political stability in the payments are received until wake of a succession of corruption scandals.

MITTER AND THE

CHILE CROSS SATISF

# Exim Bank of Japan keeps DM in the spotlight

By Antonia Sharpe

The D-Mark sector of the eurobond market remained in the spotlight yesterday as Exim Bank of Japan raised DM700m through an offering of five-year eurobonds. Some syndicate managers

thought that the deal was a little too large, considering the

#### INTERNATIONAL BONDS

large amount of unsold fiveyear D-Mark paper in the primary market. However, they were relieved

that the widely-expected offering had been priced to yield 20 basis points over German government medium-term notes rather than the original target of 18 to 19 basis points. Overly-tight pricing would

have made the deal difficult to

sell, in spite of the borrower's triple-A rating and rarity

In the event lead manage Paribas and members of the syndicate reported healthy demand from Asia, though some syndicate members said interest from Europe was rather slow. Central banks featured among buyers.

Paribas, which underwrote 64 per cent of the issue, said it had placed 85 per cent of its position and that it had not experienced any flow-back of

The bonds were pricad slightly above par so the 61/2 per cent coupon would attract retail investors.

When the syndicate broke, good support by the lead manager ensured that the spread remained stable. Exim is believed to have swapped the proceeds of the deal into float-

118% 98.3 107% 1158 93% 107% 98% 108% 1138 76% 117 96 & 104 E 114 & 90 E 103 } 94 S 105 Z 110 E 110 E 7.59 8.53 8.69 7.26 8.24 8.20 8.23 8.35 9.07 8.25 8.35 8.12 8.29 8.30 8.27 8.26 8.49

8.53 6.35 6.96 6.42 8.25 8.39

82 A 105 B 106 A 75 B 97 B 97 A 105 A 132 B

47点 42点 33点 30点 30点

8.13 8.66 8.74 11.85 10.47 10.38 9.09 8.92 9.83 4.17 8.70 9.18 -8.04 -9.18 7.78 4.51 4.46 112% 120 100½ 100% 109% 143% 130 38½ 38% 117 72 136 130 113½

102% 105% 75% 97% 94% 97% 104%

- 46% - 42Å - 88% - 36% - 30Å

0.40 8.24 8.37 8.55 8.43 8.66 8.45 8.55 7.00 11645 9845 1072 15330 1073 10831 1132 764 98444

**NEW INTERNATIONAL BOND ISSUES** US DOLLARS Final terms, non-callable unless stated. Yield spread (over relevant government bond) at taunch supplied by lead manager. ‡ Floating-rate note. R: float ne-offer price; fees shown at re-offer level. a) Divided into SSSm fyr, 2yr and 3yr transhes. at) 6-mit Libor. +175bp. at) Joint leads: Chase, Chemical, Calberik, Goldmen, JP Morgan, Morger Starley, Normura, Turklye is Benkasi, Turklye Valoffar Benkasi Tao, UBS and Yannelchi. b) Punglible with \$200m. bi) 3-mit Morger +§%. Short 1st coupon. d) Punglible with \$200m. Floating-rate note. It: foud re-offer price; fees shown at re-offer level, a) Divided into \$85m 1yr, 2yr and +1750p. a2) John leads: Chaes, Chemical, Cabbent, Goldman, JP Morgan, Morgan Stanley, Norman Vandifar Benkesi Tao, UBS and Yamelchi. b) Fungible with \$200m. b1) 3-mith Libor +§%. Short 1st cou Cellable on coupon datas from Feb.99 at per. c1) 3-mith Libor +150p.

The smooth launch of Exim's deal bodes well for the forthcoming issue for Belgium. Banks were bidding for the mandate yesterday and the offering, which could raise as much as DM1bn, is expected to

emerge tomorrow. Belgium is believed to be looking at a maturity of seven to 10 years and syndicate managers believe the yield spread

over German government bonds will be in the high 20s. Ford Credit Europe raised £50m by re-opening a £100m offaring of five-year floatingrate notes which it launched in

The discounted margin on the new tranche was 19 basis points over three-month Libor, slightly tighter than the spread

of 21 basis points on the outstanding notes in the second-

Lead manager NatWest said the recent upgrading of Ford's credit rating had allowed it to knock two basis points off its all-in cost of funding. Most of the paper was sold into the UK, NatWest said, though there was some over-

WORLD BOND PRICES		
BENCHMARK GOVERNMENT BONDS	III BUND FUTURES OPTIONS (LIFFE) DW250,000 points of 10096	FT-ACTUARIES FIXED INTEREST INDICES
Coupon Date Price change Yield ago ago	Strike Jun Jul Aug Sep Jun Jul Aug Sep	Price Indices Mon Day's Fit Accrued xd adj. — Low coupon yield — Madium coupon yield — High coupon yield — UK Gitte Apr 24 change % Apr 21 interest yid Apr 24 Apr 21 Yr, ago Apr 24 Apr 21 Yr, ago Apr 24 Apr 21 Yr, ago
Australia 9.000 09/04 94.9100 -0.060 6.84 9.74 10.13 Austria 7.500 01/05 100,7000 - 7.39 7.38 7.69	9250 0.68 0.59 0.75 0.90 0.43 0.94 1.10 1.25 9300 0.38 0.40 0.56 0.69 0.68 1,25 1.40 1.54	1 Up to 5 years (23) 119.22 -0.11 119.35 1.08 4.27 5 yrs 8.28 8.23 7.84 8.33 8.29 7.82 8.45 8.41 7.83 2 5-15 years (21) 141.69 -0.09 141.82 2.05 4.13 15 yrs 8.30 8.29 7.84 8.37 8.36 7.37 8.29 7.858 8.23
Belgium 6.500 03/05 90.6100 40.010 7.91 7.88 8.31 Canada" 9.000 12/04 102.4500 +0.100 8.62 8.66 8.56	9350 0,22 0.26 0.36 0.52 1.02 1.81 1.73 1.67 Est. vol. total, Cells 4905 Puts 7802. Provious day's open int., Cells 146796 Puts 126513	3 Over 15 years (9) 166.56 -0.08 156.69 1,86 4,74 20 yrs 8.29 8.29 7.84 8.37 8.36 7,97 8.51 8.51 8.14 4 tradeemables (6) 188.56 -0.24 184.00 4.36 1,47 kred,† 8.34 8.32 7,98
Denrest 7.000 12/04 88,9808 40,100 8.73 8.76 9.19 France BTAN 8.000 05/98 101,0900 40,050 7.59 7.60 72/7 OAT 7.500 04/05 98,0100 40,280 7.78 7.75 8.20	Italy	5 All stocks (59) 138.08 -0.09 138.19 1.89 4.31
Germany Bund 7.375 61/05 101,9000 -0,050 8.83 8.82 8.61	IN NOTIONAL, ITALIAN GOVT, BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%	Index-Finked Apr 24 Apr 21 Yr, ago Apr 24 Apr 21 Yr, ago 6 Up to 5 years (2) 192.05 -0.01 192.08 0.31 2.57 Up to 5 years (2) 3.30 3.41 1.61 (78 2.43
Haly 8,500 01/05 80,5500 -0,380 13,101 12,83 13,11 Japan No 119 4,800 06/99 108,8290 +0,090 2,59 2,79 3,47	Open Sett price Change High Low Est. vol Open Int.	7 Duer 5 years (1) 178.42 +0.05 178.33 0.70 1.73 Over 5 yes 3.78 3.79 3.47 3.59 3.26 3.26 8 AI stocks (13) 178.92 +0.05 178.84 0.66 1.81
No 174 4,600 09/04 108,7730 +0.380 3.37 3,36 4.05 Netherlands 7.750 03/05 104,0000 +0.120 7.16 7,16 7.53	Jun 93.60 93.50 -0.23 93.73 93.25 23768 45510 Sep 92.65 92.65 -0.23 92.65 92.65 2 139	Average gross redumption yields are shown above. Coupon Brands: Low: 0%-7%%; Medium: 8%-10%%; High: 11% and over. 1 Flat yield, yid Year to date.
Portugal 11.875 02/05 97.8500 +0.100 12.28 12.24 12.00 Spekin 10.000 02/05 88.3600 +0.100 12.04 12.11 12.31 Sweden 8.000 02/05 68.3160 +0.010 11.57 11.32 11.20	II ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (UFFE) Liazoom 100ths of 100%	
Sweden 8,000 02/05 68,3160 40,010 11.57 11,32 11,20 UK Gaits 6,000 08/99 92-05 3/32 8.21 8.13 8.50 8,500 12/05 101-02 - 8,35 8,32 8,67	Price Jun Sep Jun Sep 9350 1.06 1.94 1.06 2.59	FT FIXED INTEREST INDICES GILT EDGED ACTIVITY INDICES
8,000 10/06 105-06 -1/32 8,35 8,33 8,65 US Treasury 7,500 02/05 103-11 -1/32 7,02 7,02 7,20	9400 0.84 1.73 1.84 2.88 9450 0.61 1.53 1.61 3.18	Apr 24 Apr 20 Apr 18 Apr 18 Yr ago High' Low Apr 21 Apr 20 Apr 18
7.625 02/25 103-15 +8/32 7.34 7.33 7.46 ECU (French Govt) 8.000 04/04 86,7100 +0.160 8.14 8.16 8.71	Est. vol. total, Calla 2372 Pura 625. Provious day's open Int., Calla 43982 Puta 36735	Govz. Secs. (URC) 92.07 92.41 92.11 92.12 92.53 95.73 92.41 90.22 Gift Edged Interest 80.0 80.2 80.6 76.2 72.6 Fixed Interest 111.25 111.12 111.00 111.26 111.33 115.69 111.33 108.77 5-day average 78.5 79.1 79.4 78.5 80.0
London closing. "New York mis-day y  Yielde: Local merios standard, y  Gross (including withholding tax at 12.5 per cerd psyable by normaldards)  Proces US, UN in 32nds, others in decimal  Source: MMS Intermedical	Spain  MOTIONAL SPANISH BOND FUTURES (MEFF)	for 1995. Covernment Securities high since complication: 127.40 (2/1/39), low 49.18 (3/1/79), Food interest high since complication: 133.87 (21/1/84), low 90.38 (3/1/79), Seek 100; Government Securities 16/1/29 and Flood interest 1928. SE activity indicate rebased 1974.
The state of the s	Open Sett price Change High Low Est, vol. Open int.	
US INTEREST RATES Lunchtime Treasury Bits and Bond Yields	Jun 82.61 82.90 +0.09 82.92 82.48 27,794 46,500 Sep 82.53 82.10 +0.43 82.53 82.53 4 5	FT/ISMA INTERNATIONAL BOND SERVICE
	UK NOTIONAL UK GELT FUTURES (LIFFE)* 250,000 32nds of 100%	Listed are the latest international bonds for which there is an adequate secondary market, Latest prices at 7:10 pra on April 24  [Instead Bild Offer Chg. Yield Jesued Bild Offer Chg. Yield Jesued Bild Offer Chg. Yield J
One month   5.86   Theo year   6.46	Open Sett price Change High Low Est. vol Open Int.	U.S. DOLLAR STRANSHTS United Kingdom 7 <sup>1</sup> g 97 5500 103 <sup>1</sup> g 103 <sup>5</sup> q 6.73 Abbay Natl Thomas y 8.03 £ 1000 94 94 <sup>7</sup> q 9.06
	Jun 104-05 104-04 +0-01 104-08 103-23 25336 84426 Sep - 103-24 +0-01 - 0 777	African Dav Bit 71 23 500 917 9214 +14 8.12 World Bank 0 15 2000 2215 225 7.58 Shiftin Land 87 23 £ 150 8812 8874 44 1020
	Strike CALLS PUTS PUTS PUTS PUTS PUTS PUTS PUTS PUT	Abstra Province 7 <sup>2</sup> s 98 1000 101 <sup>2</sup> s 102 <sup>1</sup> s 7.03 World Berik 5 <sup>2</sup> s 03 5000 01 <sup>2</sup> s 91 <sup>2</sup> s 7.23 Dearmerk 6 <sup>2</sup> s 98.9 55 <sup>2</sup> s 85 <sup>2</sup> s 8.65 Austria 8 <sup>2</sup> s 01 400 105 <sup>2</sup> s 400 105 <sup>2</sup> s 105 <sup>2</sup> s 41 7.05 World Berik 8 <sup>2</sup> s 02 1250 110 <sup>2</sup> s 111 <sup>2</sup> s 2 8.18 8 8 0 5 7 1000 95 <sup>2</sup> s 95 <sup>2</sup> s 8.75 Baiden-Westri L-Fin 6 <sup>2</sup> s 02 1000 103 <sup>2</sup> s 104 - <sup>2</sup> s 7.15 Hallies 10 <sup>2</sup> s 07 100 103 <sup>2</sup> s 100 4 2 7.15
BOND FUTURES AND OPTIONS	Price Jun Jul Aug Sep Jun Jul Aug Sep   104	Burk Ned Gernoenten 7 02 1000 100 <sup>1</sup> 4 100 <sup>1</sup> 2 1 <sub>8</sub> 8.92 SWISS FRANC STRAIGHTS Hereon 10 <sup>1</sup> 4 10 <sup>1</sup> 2 556 HSBC Holdings 11.89 02 2 105 <sup>1</sup> 2 5.56 HSBC Holdings 11.89 02 2 115 <sup>1</sup> 2 115 <sup>1</sup> 2 2.55
	108 0-29 0-43 0-60 1-10 1-20 1-59 2-12 2-20 108 0-11 0-25 0-40 0-62 2-03 2-41 2-56 3-04	Beiglum 5½ 03 1000 873 874 38 7.55 Austria 4½ 02 1000 100½ 100% 4.38 tudy 10½ 14 £ 400 104% 1054 985 8FCE 73, 97 150 101% 102 8.78 Council Europa 43, 98 250 101½ 102 4.17 Japan Dian Set 7 02 £ 200 934 98½ 8.56
France	Est. vol. total, Calls 3811 Puts 3277, Previous day's open int., Calls 28135 Puts 33806	British Columbia 74, 02 500 1014, 1024, 7.40 Denmark 44, 99 1000 1004, 4.21 Land Secs 92 07 2 200 101 1014, 142, 9.35 British Ges 0.21 1500 124, 125, 3, 8.24 595 64, 04 300 109 5.50 Ontario 114, 01 2 100 1054, 1055, 142, 8.35
NOTIONAL FRENCH BOND FUTURES (MATIF) FF:500,000  Open Sett price Change High Low Est, vol. Open int.	ECU BOND FUTURES (MATIF) ECU100,000	Cheung Kong Fin 5½ 98 500 Ch1 973 + 1 8.57 Finland 7½ 08 500 1094 110½ 4.76 Seven Tent 17½ 09 2 150 109 1093 8.88
Jun 112.64 113.22 +0.25 113.28 112.56 106,701 113.985 Sep 112.20 112.78 +0.24 112.78 112.18 1,257 7,863	Open Sett price Change High Low Est. vol. Open int.	Council Europe 8 08 102 1013 1 1015 680 lockers 17 02 100 1033 1103 5.48 Abbey National 0 95 N25 100 1033 1103 1103 1103 1103 110
Dec 111.94 112.52 +0.24 111.94 111.94 2 963  IL LONG TERM FRENCH BOND OPTIONS (MATIF)	Jun 83.46 83.62 +0.16 83.62 83.40 2,157 8,505	Dermank 5 <sup>1</sup> <sub>2</sub> 98 1000 97 <sup>1</sup> <sub>2</sub> 97 <sup>5</sup> <sub>2</sub> 6.79 Ontario 6 <sup>1</sup> <sub>2</sub> 00 400 105 <sup>1</sup> <sub>2</sub> 105 <sup>5</sup> <sub>2</sub> 5.40 Oracle Local 6 01 FFT 7000 91 91 <sup>1</sup> <sub>2</sub> 11
Strike CALLS PUTS	us	EEC 814 86 100 1015; 1017; 6.71 World Bank 5 03 150 101; 4.85
111 0.05 8.18 1.00	US TREASURY BOND FUTURES (CBT) \$100,000 32nds of 100%  Open Latest Change High Low Est vol. Open int.	58 7 <sup>1</sup> / <sub>4</sub> 12 250 101 1 101 101 6.50 Would Burk 7 01 600 110 110 1 4.99 PLOATING PLATE NOTES 88 9 <sup>1</sup> / <sub>4</sub> 97 1000 105 1 105 1 6.00
112 1.22 1.53 2.03 0.04 0.58 1.30 113 0.45 0.87 1.45 0.22 0.67 1.75 114 0.08 0.43 1.03	Jun 105-07 105-03 -0-08 105-08 104-31 150.828 361,583 Sep 104-25 104-20 -0-08 104-25 104-18 1,287 19,856	Ex-im Bank Japan 8 02 500 103½ 103½ ½ 7.37 Balgium 5 03 75000 103½ 103½ 276 Abbay Nad Treatury -2 93 1000 99.55 99.73 92.54 Percent Day Corp 9½ 98 150 108½ 107½ ½ 7.08 EB 6½ 00 100000 117½ 117% 2.73 Bentamenta ½ 99 750 99.54 98.64 8.657
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# FINANCIAL TIMES TUESDAY APRIL 25 1995

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### MARKETS REPORT

# Dollar trades steadily ahead of G7 meeting

Foreign exchanges had a steady, if slightly nervous, ses-sion yesterday ahead of the G7 meeting in Washington today where currencles will be a subject for discussion, writes Philip Gawith.

There is little expectation that the summit will produce an accord aimed at securing a stronger dollar, but there was sufficient wariness ahead of the event to place a dampener on market activity.

The dollar had a slightly positive bias in Europa, closing towards the top end of its daily trading range. It closed in London at Y83.35 and DM1.3699, from Y82.915 and DM1.3766 on Friday.

In Europe, the focus was on the French franc following the surprise victory of Mr Lionel Jospin, the socialist candidate, in the first round of the presidential elections on Sunday.

After sinking to a low of FFr3.5880 against the D-Mark on Sunday evening, the franc recovered to close at FFr3.537.

Austria Belgium Denmari Finland

POUND SPOT FORWARD AGAINST THE POUND

-0.0596 900 · 058 -0.2778 813 · 271

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+0.0022 073 - 082 1.6210 1.6070 -0.0016 676 - 690 1.4722 1.4884 +0.0005 986 984 2.2228 2.1968 -0.0386 986 492 9.7908 9.5988 +0.0018 075 062 1.6212 1.6070

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The franc led most other European currencies to higher finishes against the D-Mark.
The lira was less active, with the regional election results most providing a near place mas. not providing a very clear message to the markets. It closed at L1,248 against the D-Mark, from L1,251.

One piece of good news was the continued recovery of the Mexican peso which finished at first time it has finished below 6 peecs for a number of

For contrarians, the G7 discussion on currencies today is a surprise waiting to happen. Seldom can there have been such a robust consensus that the talks will produce nothing to help the dollar beyond the

# Pound in New York - Prev. close --1.8035 1.6031 1.6013 1.5883 1.6122 1.6120 1.6104

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2.2142 2.1875 2.1996 1,7

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2,1968 2,2009 -1.9 2,2053 -1.4 2,2061 -0.4

Takemura, the Japanese prime minister, said in Washington

yesterday: "If G7 nations only express their own opinions, and as a result they cannot keep e common step and cooperate (on currency moves). that's not good for the current exchange rate situation." In a similar vein, Mr Michael Camdessus, managing director

of the IMF, called for greater policy co-ordination among G7 countries. Also in the "something must be done" school was Mr Jacques Santer, president of the European Commis-sion, who criticised Washington for "benign neglect" of the

From a market perspective, however, the more significant tainly those of Mr Otmar Issing, the Bundesbank board member and chief economist.

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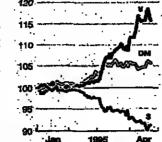
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CURRENCIES AND MONEY



In a speech in Frankfurt, he went straight to the heart of the matter, saying: "The idea that the seven meet together and put together a unified package is illusory.'

He went on to say that he doubted the wisdom of foreign exchange intervention. "Central banks are not the masters of exchange rates." Mr Issing said that weak currencies

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DOLLAR SPOT FORWARD AGAINST THE DOLLAR

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reflected problems of past what the market was looking inflation and curbing budget what the election of a condeficits.

Mr Joe Prendergast, analyst at Paribas Capital Markets in London, sald santiment towards the dollar was so negative that the market appeared to be having difficulty pushing the dollar much lower. "If market sentiment is all one way, It will find it difficult to go furmore difficult to go down now Thare is a greater sense of two-way risk," he said.

Mr Malcolm Barr, economist at Chemical Bank in London. said there had recently been more interest to buy the dollar, both from genuine customer husiness, and from professional operators who were not in the market on a daily basis.

■ The initial fall in the franc following tha election result appeared to be nothing more than an reaction to the surprise. Mr Jospin's good performance may not have been

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1.3729 -1.8

rvative president, Mr Chirac still seemed tha most likely

The recovery in the franc yesterday was simply a bounce back from this earlier move. But Mr Prendergast said that with the election closer than originally anticipated, the franc would probably find further appreciation, from current levels, difficult.

■ Overnight money rate rose to 81/2 per cent as the Bank of England only provided £487m assistance to UK money markets, after forecasting a £800m shortage. Three month money also firmed, rising to 6th per cent, up from 61 per cent.

188.486 - 188.958 | 117.260 - 117.310 2908.31 - 2813.12 | 1745.00 - 1750.00 0.4871 - 0.4878 | 0.2908 - 0.2908 3.7776 - 3.7873 | 2.3650 2174.48 - 0175.74 | 5083.00 - 5086.00 5.9042 - 5.9072 | 3.6728 - 3.6732 Hungary Jean Kuwah Poland Russia U.A.E.

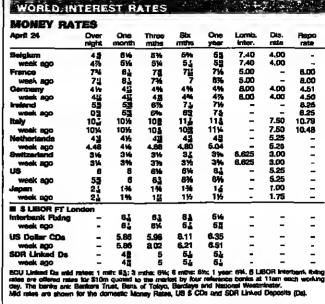
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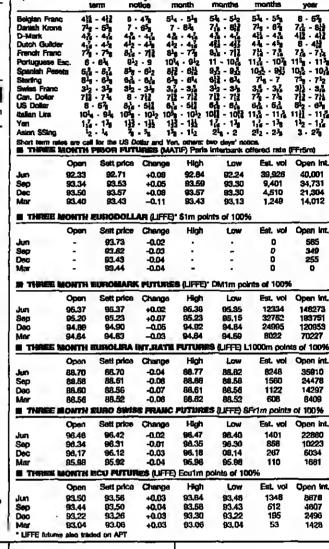
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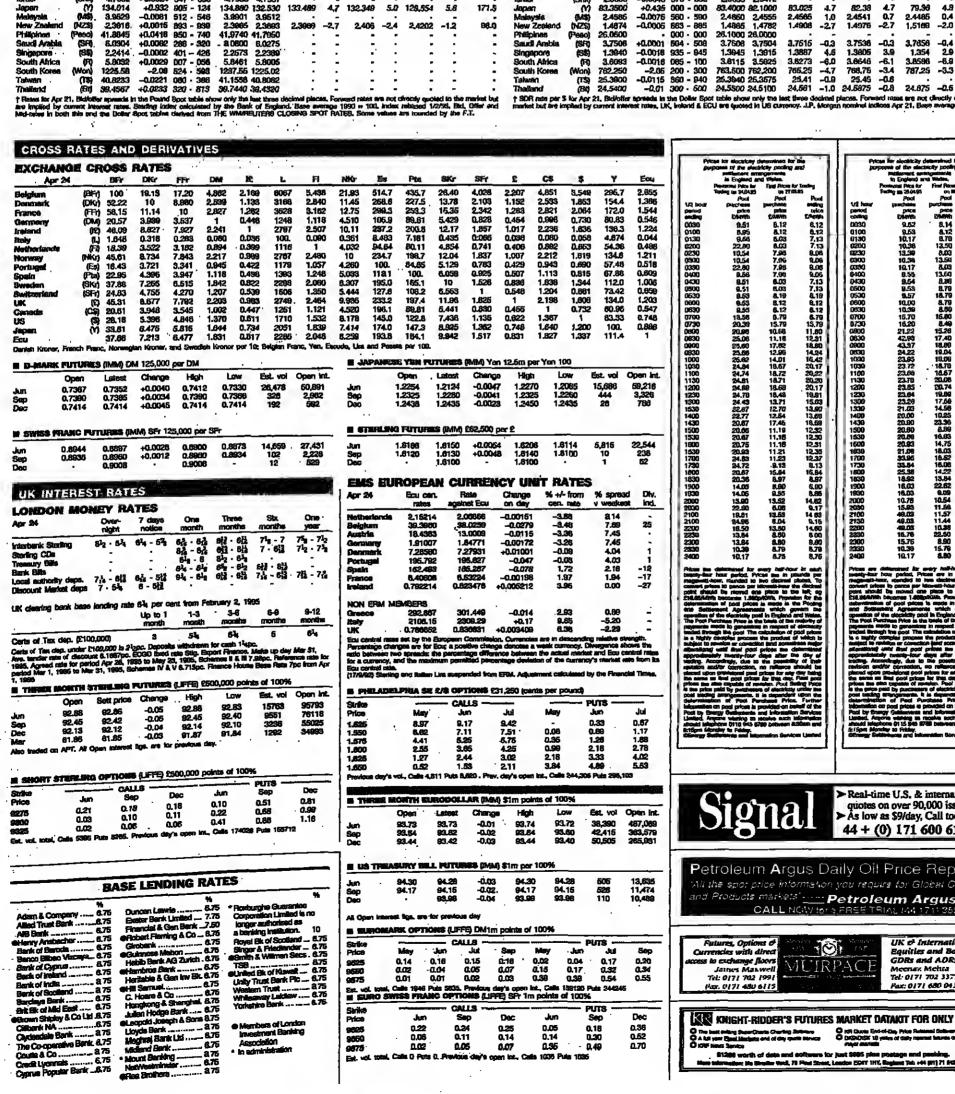
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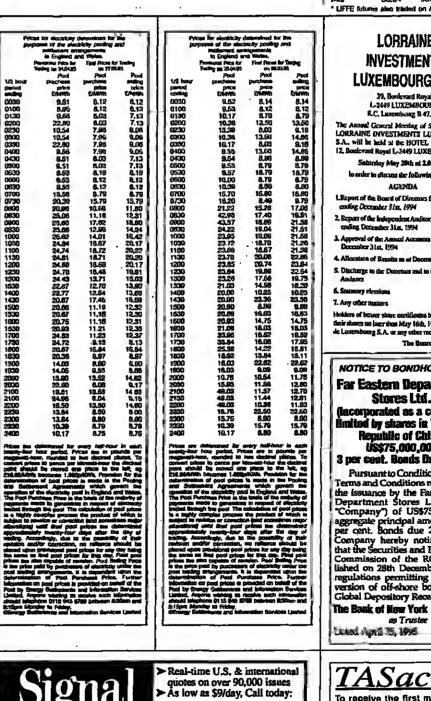
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EURO CURRENCY INTEREST RATES







# 6. Statutary elections 7. Any other matters Holders of beaser share confilentes have to deposit their shares no later shan May 16th, 1995 at Banquo de Luxersboorg S.A. or any other recognised bonk. The Board of Directors NOTICE TO BONDHOLDERS **Far Eastern Department** Stores Ltd. (lacorporated as a comlimited by shares in Talwan, Republic of Chira) US\$75,000,000

LORRAINE

INVESTMENTS

LUXEMBOURG S.A.

39, Boolevard Royal 4-2449 LUXEMBOURG R.C. Laxembaug B 47.796

The Annee General Meeting of Sturebulgers of LORRAINE INVESTMENTS LUXEMBOURG S.A., will be held at the HOTEL "LE GOYAL", 12, Bundevast Royal L-3449 LUXEMBOURG on

Saturday May 20th at 2.00 p.m.

to order in discuss the following matters:

LReport of the Board of Directors for the period entiting December 31st, 1994

4. Allocation of Results as or December 31st 1994

5. Discharge to the Directors and to the Statutory Andrees

3. Approval of the Annual Accounts as as December 31st, 1994

Subordinated Floating Rate Notes Due 2011 (Redeemable at the option of the 3 per cent. Bonds Due 2001 Noteholders in 1996 and 2006) Pursuant to Condition 6 of the Terms and Conditions relating to the issuance by the Far Eastern Department Stores Ltd., (the "Company") of US\$75,000,000 aggregate principal amount of 3 per cent. Bonds due 2001, the Company hereby notifies you In accordanca with tha provisions of the Notes, Company hereby notifies you, that the Securities and Exchange Commission of the ROC pub-lished on 28th December, 1994, regulations permitting the con-version of off-shore bonds into

notice is hereby given that the rate of interest for the six months 25th April 1995 to 25th October 1995 has been fixed at 6.4375%. The Intarest payable on tha relevent interest paymant date, 25th October 1995. will ba US\$8.180.99 per US\$250,000 Note. West Merchant Bank Limited

**ARTAL GROUP S.A** 

39, Boolevard Royal L-2449 LUXEMBOURG R.C. Loxembourg 6 44,470

The Annual General Meeting of Shurcholders of ARTAL GROUP S.A., will be held at the HOTEL "LE BOYAL", 12, Boolevard Royal L-2449 LUXEMBOURG on

Seturday May 20th at 3.00 p.m.

in order to discuss the following matters:

AGENDA

Likepon of the Buard of Directors for the period ending December 31st. 1994 2. Stepart of the Independent Auditors for the period and Tag December 31st, 1994

4. Altocation of Results as of December 31st 199-

Discharge to the Directors and to the Statutory Analysis

Holders of beauer share certificates have to depose their shares no later than May 16th, 1995 at Banque de Laucstibourg S. A. or any other recognised bank.

**OVERSEAS UNION** 

**BANK LIMITED** 

US \$100,000,000

4. Sizurory elections

Agent Bank

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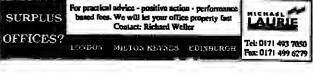
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Subject or on her

K MIRECIO, Esq. Tel: +1 714 854 3344 Fas: +1 714 854 6967



| 1905 | 1906 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 | 1907 |

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FINANCIAL TIMES TUESDAY APRIL 25 1995 **LONDON SHARE SERVICE** IV TRUSTS SPLIT CAPITAL 

MANAGED FUNDS SERVICE ● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on ( +44 171 ) 873 4378 for more details **UFFSHORE AND OVERSEAS** BERMUDA (SIB RECOGNISED) ink Holes Selling Beying + or Yold Chape Price Price - 679 調視 27.81 213.35 20.83 27.80 212.80 13.83 SICAV (u) L'Este, 1-1021 List BP 2174 001 809 202 2760 1+0.14 \$2,008 2,211 4000 6,201 \$2,410 2,501 +0,055 6,30 \$1,740 1,514 2,79 \$12,26 13,07 -1,100 6,40 # 13 7 1808 +147 30.46 +0.54 1.75 -0.67 | Parameter Fig. | Para Ξ 140F me Class 0 — | \$9.26 +0.001 - 211.57m 12.01 +804 8.57 00 352 4590 3362 LUXEMBOURG (REGULATED)(\*\*)

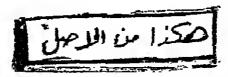
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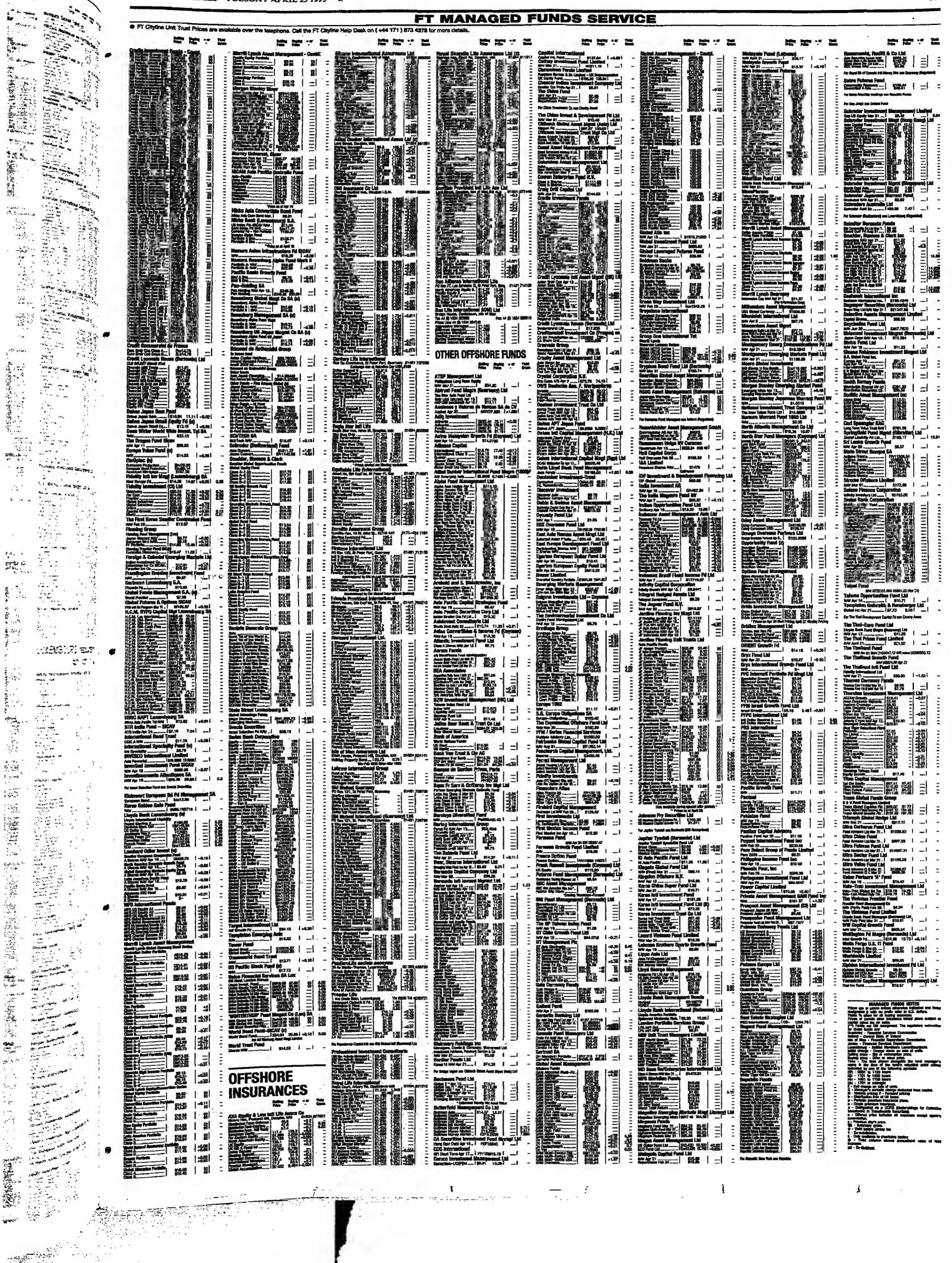
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### LONDON STOCK EXCHANGE

# FT-SE 100 Index regains 3,200 in late upswing

By Terry Byland, UK Stock Market Editor

surprising turnround yesterday, closing solidly above the 3,200 mark on the FT-SE 100 Index after falling sharply in early trading. Dealers could identify no reason for the late upswing, other than a better trend in the US dollar and a strong buy programme in UK equities.

The dollar was helped by hopes of progress at the meeting of G7 ministers which opens in Washington today. Sentiment in London was also encouraged by the comment from the newly appointed deputy governor of the Bank of England

est rates "to rise yet".

The final reading on the FT-SE

The UK stock market managed a 100 Index of 3,209.3 showed a gain on the day of 9.4 points. In early trading, when currency markets were unsettled by reaction in European bond markets to the unexpected victory of the Socialist candidate in the first round of the French presidential elections, the FT-SE 100 dropped by more than 23 points. The late recovery in London stocks was led by a rally in UK bond futures, which also trimmed initial falls in government bonds.

UK stocks found some support from a rally in the Dow Jones Industrial Average, which trimmed

don and that international investors appeared unwilling to deal ahead of this week's G7 meeting. The meeting offers another opportunity to solve the currency problems, which have remained unresolved in spite of the economic and financial package in Tekyo and successive bouts of support for the US dollar by the central banks.

Seaq volume totalled only 520m shares, against 676.1m on Friday. Business was focused around the Footsie list, with the rest of the market left lagging behind. The

United Newspapers,

Express, slid 8 to 491p on con-

week from Mirror Group

Newspapers that the tough

conditions within the newspa-

per industry would continue.

Mirror closed flat at 1350

Mercury Asset Management

announced that it had reduced

its stake to 13.9 per cent from

First-quarter results from

the US oil majors, notably

Mobil and Exxon, were up to

best expectations and triggered

another wave of support for

the UK oil stocks. A mixture of

local and overseas bnying interest drove BP up 3% to a

record 454%p, but Shell lagged

behind, closing only a fraction

of the small oils, the shares

moving up 2 to 27p after

Melrose Energy was the nick

14.8 per cent.

ahead at 729%p.

sideration of comments last

its fall to 1.73 points in London trading hours.

Dealers stressed that equity business volumes had been light in London market, when Wall street's peak ahead of the weekend.

Street's peak ahead of the weekend.

Good news on the dollar from the

was ignored in London. But the Mid. G7 ministers would imply a rally for the pound, which has been hurt on 250 failed to join in the late rally in UK blue chips and ended 7.2 off at the cross rates by the fall in the US. 3,497.8. Trading in non-Footsie currency. Markets were untroubled stocks made up some 60 per cent of yesterday by news of a 1.4 per cent the day's business, higher than the growth in UK money supply in average for last week. March. The figures were believed to The clutch of trading programmes have been distorted by the financaround midsession - although not . ing of the Glaxo bid for Wellcome.

reported until later in the day -Any action to promote a recovery in the dollar by the Group of Seven prompted a decisive swing in the ministers could benefit sterling, market. Although some traders warned that yesterday's market was tightly poised ahead of the G7 meetwhich has suffered on the European cross rates from the slide in the US ing, and therefore easily swayed

Source of Specifics, 1988	35.
	<del></del>
Indices and ratios 2434.5 FT-SE 100 3209.3 49.4 FT Ordinary index 17.28	-1.4
ET SE LEG 250 2402.9 -73 FT-SE-A Non Fins Die	(17.25) +3.0
FT-SEA 350 1592.5 129 F1-SE 10 IV GR Visid	(8.65)
FT-SE-A.AI-Share yield 4.07 (4.08) Long gavequity yiu rate	
Best performing sectors  Worst performing sectors  Permaceuticus  1 Permaceuticus  1 Bectronic & Bec	1.3
2 Other Ser & Bus +0.9 2 Transport	0.7 0.7
3 Tobecco +0.8 3 Insurance 4 Consumer Goods +0.8 4 Edirective inds	0.7 0.5

FUTURES AND OPTIONS

# **Financial** merger alert

The whiff of an imminent deal involving Abbey National, the building society turned bank, saw the shares make determined progress throughout the ession and post the day's second biggest gain in the FT-SE 100 list. At the close Abbey was 11 firmer at 480p and within sight of the all-time high of 490p reached earlier this

After the market closed. Abbey revealed that it was seeking to open take-over/merger talks with the National & Provincial Building Society in a move which could create the UK's second biggest mortgage lender, after the soon-to-be-merged Halifax/ Leeds combination.

Dealers said the market had already anticipated an expansion move by Abbey and that a merger with such a powerful outfit as National & Provincial would be seen as a positive step. "The only problem would be price," said one banking

He said Abbey would have to pay a hefty premium to net assets to win over N&P. "With Lloyds buying Cheltenham and Gloucester and Halifax merging with Leeds, there are not any more really big building societies left; Abbey will have to pay up," the analyst

A combined Abbey/N&P would have a UK mortgage market share of 17 to 18 per cent, second only to Halifax/ Leeds' 27 per cent share.

#### TSB wanted

TSB staged a good late rally after an initial decline as some dealers took the view that the bank would also soon embark on an expansion programme, possibly involving the acquisi tion of a building society.

It was also suggested that the bank could attract the attentions of a predator keen to acquire the TSB's buge and loyal customer base. The shares settled marginally higher at 243%p, having dipped to 240p early in the session.

#### Glaxo triumphs

Pharmaceuticals leader Glaxo climbed 19 to 735p, outstripping most other members of the FT-SE 100, after announcing victory in a key patent battle. The revised version of Zantac, its big turnover ulcer treatment, had been challenged by Novopharm, of Canada. Glaxo also reminded to extend the patent on its classic Form 1 version because of changes in the Gatt trade treaty. The Merrill Lynch pharma

ceuticals team, which has been a staunch supporter of the company, reiterated its enthusiasm vesterday. Analyst Mr James Culverwell said that, although most analysts had already factored a successful outcome into forecasts, the removal of uncertainty would be belpful. It added that the share price would be "underpinned by integration and cost savings news flow' following the Wellcome takeover.

However, some analysts finished 4 higher at 4275. were reminding clients that pressures on Zantac, which represents around two thirds of Glaxo profits, would only increase in the future. The Form 1 patent expires in two years and the revised form in seven years. Volume, boosted by US buying, topped 10m.

#### Telegraph active

Telegraph, the newspaper group, hit 433p at one stage on Sunday newspaper speculation that Mr Conrad Black, the Canadian owner, was poised to carry out his plan to buy the shares not already owned and to pay between 500p and 510p apiece. The move bas been flagged for some time but interest was revived by comments at the company's annual meeting last week. Hollinger, Mr Black's parent company, currently owns 58.5 per cent

	Apr 24	Apr 21	Apr 20	Apr 19	Apr 18	Yr ago	"High	"LOW
Ordinary Shere	2434.5	2435.9	2421,4	2418.5	2434.0	2477.9	2454.1	2238.3
Ord. div. yield	4.34	4.35	4,37	4,87	4.34	4.02	4.73	4.31
P/E ratio net	16.56	16.55	16.45	16.46	1857	19.90	21.38	16.45
P/E natio nii	18.49	18.47	16.37	18.39	18.49	20.52	22.21	15.77
For 1985, Ordinary FT Ordinary Street	Shere Ind	date 1/7/	ampliation 36.	High 271	3.6 2/02/0	4 10w 48.4	25/5/40	

Open 9.00 10.0	11.00	12.00	13.00	14,00	15.00	15.00	High	Low
2434,7 2427.9 2418.5	2416.1	2422.1	2419.6	2419.5	2421.B	2431,8	2435.0	2414,5
	Apr 24	Apr	21	Apr 20	Apr 1	9 A	w 19	Yr ago
SEAQ bergains	22,76	9 24	791	21,361	20,5	57 2	0,625	25.94
Equity turnover (Cm)†		- 14	72.9	1804.2	1252	4 1	041.5	1867,7
Equity bargainst		- 38	854	33,477	30,4	39 3	2,073	40,313
Shares traded (mil)†		- 7	19,6	760,1	499	2	417.7	7242
Excluding intra-market but	bras stants	OVERNE	tumove	r.				

LIFFE Equity options

Dr Mark Mobius

Mr Henry Tyan

Mr Michael Baring

Templeton Emerging Markets Fund, Inc.

Member of the Board of Directors

Baring Securities International Ltd

Official Carrier:

President

news of a gas discovery in 103p in strong volume of 6.1m. Wyoming. The jumped 21/4 to 7p. The warrants owner of the Daily and Sunday

Cray Electronics was the market's biggest casualty, the shares almost halving and clos-ing a net 76 lower at 79p after the group shocked the market

with a profits warning. Takeover candidate Medeva improved 7 to 254%p on weekmooted move by Fisons. The latter hit back at reports that it was prepared to pay 300p a share, saying they were mere speculation. Fisons closed a

penny off at 178p. SmithKline Beecham rose 2 to 494p on the back of a solid agm statement. Also, Williams de Broe issued a positive postresults note which hit fund managers' desks yesterday.

The firm market trend belped Cadbury Schweppes recover from an early retreat prompted by a note from Nat-West Securities advising investors to reduce holdings. The shares ended a penny ahead at 437p on turnover of 1.1m.

The recommendation based on its view of the group's Dr Pepper/Seven-Up acquisition made earlier this

Associated British Foods tumbled 16 to 638p, making it the day's worst performer among FT-SE 100 constituents. after it published interim figures showing a 4 per cent decline in profits to \$173m.

The company warned of pressures on profit margins due to increasing manufacturing costs and a resistance to price increases.

Hillsdown Holdings added 3 at 182p after the group said it would receive a total of £303.7m from the sale of its 56.1 per cent holding in Canadian group Maple Leaf Foods. Sentiment was further boosted by a NatWest Securities buy recom-Nervous trading ahead of

today's final figures from Sears saw the shares ease a penny to

Incheape, the international trading group which has been hit by a string of profit warnings, streaked to the top of the Footsie performance charts following a move from "hold" to

stressed that it is taking the long view, however. It is looking for a recovery to around 400p sometime in 1996 on the back of improved Far Eastern economies and a less negative yen-sterling exchange rate. The shares jumped 10 to 319p in 3.3m turnover, compared with a 1996 peak of 430p.

Better than expected interim profits and dividend from plas-tics and metals group McKechnie pushed the shares forward by 6% to 425%p.
Diversified industrial Wil-

\$48m fire protection acquisition in the US.

III FT-8E 100 INDEX FUTURES (UFFE) \$26 per full index point "buy" at James Capel. The big agency broker

liams Holdings dipped 8 to 331p in modest 1Am-share turnover following news of a

Steve Thornpson.

3220.0 3217.0 +3.0 3222.0 3182.0 3256.0 +2.0 3268.0 +3.0 IF FT-SE MED 250 INDEX FUTURES (LIFTE) £10 per tell index point 3620,0 3516.0 -10.0 3520.0 3620.0 Peter John, Joel Kibazo,

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	Apr 21	% chg	Apr 20	Apr 19	Year .	Gross dir yield %		tock
Gold Mines Judex (54)	1974.13	-0.8	1980,30	2041,58	1773.72	211	2337,9	1637.91
at Regional Antique			•					
Africa (18)	2736.40	-1.B	2783.3B	2870.02	2441,86	4.82	2711.6	2365.5
Acetobeia (7)	2437.72	-3.8	2532.73	2548.81	2332.67	1.62		1788.2
North America (11)	1687.92	+0.4	1681.48	1728.17	1486.57	0.81	1911.2	1348.1

FT - SE Actuaries Share Indices +0.3 \$199.8 9174.7 3170.1 3108.1 -0.2 3505.1 3489.3 3482.9 3767.8 -0.2 3545.4 3500.0 3482.7 3783.3 +0.2 1598.4 1578.1 1675.6 1579.5 +0.3 1604.1 1591.1 1586.6 1583.0 +0.1 1674.3 1566.0 1584.9 1536.5 174.3 1566.0 1584.9 1536.5 FT-SE 100 FT-SE M6d 250 FT-SE M6d 250 ex try Trusts 15.33 51.80 \_1245.96 18.89 44.03 1384.85 17.51 45.02 1337.30 16.00 24.44 1288.89 1.92 1.76 1.86 1.89 1.68 2.32 1.59 1.66 1.67 FT-SE-A 350 Higher Yield FT-SE-A 350 Lower Yield 14.73 32.04 1054.12 17.81 16.40 1046.82 22.88 21.84 1385.28 ..... 1749.59 1744.29 1742.83 1833.20 FT-SE SmallCap FT-SE SmallCap ex inv Trusts FT-SE-A ALL-SHARE FT-SE Actuaries All-Share Apr 24 chge% Apr 21 Apr 20 Apr 16 ego 16 MINERAL EXTRACTION(24) 12 Extractive Industries(7) 15 Oil, Integraled(3) 19 Oil Exploration & Prod(14) +0.2 2796.37 2761.86 2741.29 2654.41 -0.7 3698.64 3694.87 2726.17 3800.91 +0.5 2795.74 2756.07 2727.24 2580.75 19.47 52.95 1154.40 16.59 91.94 1038.76 18.63 60.43 1181.75 3.67 3.84 3.77 1.75 1.96 1.79 -0.1 2028.88 1988.31 1986.39 2056.53 -0.2 1872.50 1865.60 1868.91 2106.08 4.20 -0.5 856.84 959.23 884.87 1839.80 4.17 -0.2 1735.04 1720.44 1727.75 2123.49 4.27 -0.4 2291.81 2278.92 2296.88 2492.85 4.14 +0.1 1832.88 1827.54 1832.29 2683.59 5.20 -1.3 1857.40 1858.90 1972.14 2060.11 3.78 +0.1 1834.81 1828.03 1822.89 1986.39 3.57 -0.3 2194.88 2184.39 2189.50 2490.50 4.19 +0.2 2815.33 2800.45 2768.13 2926.75 3.38 -0.3 1569.87 1568.66 1565.74 1804.06 4.51 1.63 18.24 29.46 976.83 18.99 16.86 17.37 785.74 1.88 15.56 27.71 687.24 1.85 21.84 33.48 1036.29 1.45 16.54 40.72 972.23 1.92 17.21 13.10 961.24 1.91 19.48 21.26 1071.12 0.29 60.001 47.72 1096.31 2.31 15.99 67.94 1132.58 1.26 21.69 25.92 911.84 20 GEN INDUSTRIALS(279) 21 Building & Construction(38) 22 Suiding Matts & Marcha(31) 22 Sustery Means a Pronomorphy, 23 Chemicals(22) 24 Deversited Industrials(16) 25 Engineering(72) 26 Engineering(72) 27 Engineering, Vehicles(13) 28 Paper, Potg & Printing(27) 29 Tactiles & Apparel(21) +0.5 3009.49 2990.34 2964.77 2685.96 +0.1 2264.13 2253.35 2251.01 2296.77 +0.2 2746.55 2720.84 2714.80 2940.32 +0.5 2410.69 2400.08 2400.21 2323.03 +0.5 2410.49 2400.60 2400.21 2323.03 +0.5 71712.85 1706.91 1708.67 1707.33 +1.7 3750.90 3748.44 3749.48 2675.50 +0.8 3881.52 3778.86 9722.82 3720.56 30 CONSUMER GOODS(94) 31 Brewries(18) 32 Spirits, Wines & Ciders(10) 33 Food Producers(24) 34 Household Goods(10) 36 Health Care(18) 37 Pharmaceuticals(12) 17.53 52.52 1078.28 14.80 12.19 1038.19 18.19 54.52 849.10 15.22 51.84 1050.98 38.30 50.32 901.89 38.59 9.19 1000.89 28.19 49.48 1241.19 13.22 131.29 936.26 37 Pharmaceuti 38 Tobacco(2) 2.10 17.70 22.81 973.42 2.10 17.70 22.81 973.42 1.94 16.32 41.11 860.47 1.58 22.47 85.29 1103.02 2.28 20.04 47.53 1014.31 2.48 14.15 17.14 1151.56 2.12 17.47 10.92 887.56 2.45 18.14 15.59 949.23 1.91 16.57 28.32 \$76.96 1.22 27.56 10.90 1083.78 40 SERVICES(228) 41 Distributors(32) 42 Leisure & Hotels(28) 43 Media(43) Support Services(37 49 Transport(21) 51 Other Services & 13.85 6.85 917.16 10.19 19.89 951.11 32.48 0.00 954.81 18.15 0.13 870.55 8.42 4.62 338.98 60 UTILITIES(37) 62 Electricity(17) 64 Gas Distributio ..... 2328.17 2305.65 2296.71 2271.01 -0.4 2230.71 2210.11 2201.58 2127.47 +0.1 1841.65 1844.47 1848.42 1739.26 69 NON-FRANCIALSINGS +0.2 1693.52 1682.28 1679.19 1702.62 17.28 22.93 1228.80 70 FINANCIALS(115) 71 Banks, Fetal(9) 72 Banks, Merchans(8) +0.1 2263.87 2246.00 2246.12 2189.98 +0.4 3036.32 3002.73 3000.03 2741.1S +0.7 9165.03 3158.43 3141.94 2642.78 11.59 55.44 926.95 9.58 86.03 945.87 13.53 61.57 976.19 13.25 34.09 888.25 17.29 91.02 1002.48 -0.7 1257.55 1252.22 1250.32 1320.98 ... 1389.05 1333.72 1344.15 1628.17 79 Property(46) 80 INVESTIMENT TRUSTS(138) . 2655.57 2641.09 2638.45 2838.70 2.40 1.02 50.88 20.58 904.12 +0.2 1599.16 1558.49 1556.15 1571.74 4.07 1.87 16.37 23.76 1268.50 89 FT-SE-A ALL-SHARE(914) 1.15 35.19 9.85 979.12 1.15 32.38 10.38 374.82

I	Hourty	movements
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FINANCIAL TIMES

# LEBANON **TOWARDS 2000**

- Opportunities for Finance & **Investment in a Re-Emerging Market** 

# 8 & 9 June 1995 – Hotel Al Bustan, Beirut

The Languages of the Conference will be English-Arabic-French

This Financial Times conferenced offers a timely opportunity for an apprasial of the economic prospects of the Lebanon as it embarks upon a multi-billion dollar programme of infrastructure rehabilitation and renewal.

## SPEAKERS INCLUDE:-

Mr Rafic Hariri Prime Minister of the Republic of Mr Al-Fadl Chalak

Council for Development and Reconstructioo (CDR) Dr Nasser Chammaa

Chairman & General Manager

Mr Fuad Siniora Minister of State for Financial Affairs Republic of Lebanon Mr Gabriel Sehnaoui

Chairman Beirut Stock Exchange Committee Mr Paul Raphael

Managing Director & Head of

in association with

**Emerging Markets** Merrill Lynch Europe

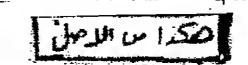
FT NEWSLETTER INTERNATIONAL TRADE FINANCE FT MAGAZINE THE BANKER Enquiries in the Lebanon regarding the conference should be directed to: Shaheer J. Hosny, General Manager, Media Line Sal.

Phone: (00) 961-1-492 190 Fax: (00) 961-1-500 814 Tel: (+44) 0181 673 9000 Fax: (+44) 0181 673 1335 Lebanon Towards 2000 O Please reserve one place at \$1.275 Beirut, 8 & 9 June 1995 Cheque enclosed made payable to Financial Times Conferences Mz/Mrs/Ms/Dr/Other O Bank transfer to: Fruencial Times Conferences, Midland Bank plc City of London Corporate Office Account Number: 71009095 Sont Code: 40-02-50 International SWIFT Code: MIDLGB2Z (Please quote delegate name as reference) C Please charge my AMEX/Mastercard/Visa with £/US \$ Department Card No: Fax **CANCELLATION POLICY** Cancellations must be received in writing by Thursday I June 1995 and will be subject to a 20% cancellation fee unless a substitute delegate is offered. After this date, the full registration fee will apply, however, substitutions will still be accepted n information you provide will be held by us and may be used to keep you informed of coast products and need by other selected quality companies for mailing purposes.



Al Harithy Company for Exhibitions will be organising a high profile exhibition from 6th - 10th of June 1995 on reconstruction and development of the Lebanon which will run parallel to the conference.

For details please contact Al Harithy Company for Exhibitions, The Glassmill, 1 Battersea Bridge Road, London SW11 3BG. Tel: (+44) 171 223 3431 Fax: (+44) 171 228 4229



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Austria	First Arm   180 8 405 3412 3358 3378 3178 172 Fit Sectly   1,12 8 3435 24 2378 2318 478 Fit Fit Feat   1,88 9 9 913 4224 4224 4224 178 178 178 178 178 178 178 178 178 178	Mandor Cp 2 9958 5 <sup>1</sup> / <sub>8</sub> 4 <sup>7</sup> / <sub>8</sub> 5 <sup>1</sup> / <sub>8</sub> MicCarath R • 0.48 10 129 18 16 <sup>1</sup> / <sub>2</sub> 15 <sup>1</sup> / <sub>8</sub> MicCarath R • 0.48 10 129 18 16 <sup>1</sup> / <sub>2</sub> 15 <sup>1</sup> / <sub>8</sub> MicCarath R • 0.52 29 2843 22 <sup>1</sup> / <sub>8</sub> 22 <sup>1</sup> / <sub>9</sub> 22 <sup>1</sup> / <sub>9</sub> <sup>1</sup> / <sub>8</sub> Micdae Inc 0.16 14 13 10 <sup>1</sup> / <sub>8</sub> d10 10 10 <sup>1</sup> / <sub>8</sub> Micdae Inc 0.16 14 13 10 <sup>1</sup> / <sub>8</sub> d10 10 10 <sup>1</sup> / <sub>8</sub> Micdae Inc 0.16 16 87 31 <sup>1</sup> / <sub>2</sub> 30 <sup>3</sup> / <sub>8</sub> 30 <sup>3</sup> / <sub>8</sub> Micdae Inc 0.20 16 87 31 <sup>1</sup> / <sub>2</sub> 23 <sup>3</sup> / <sub>8</sub> 24 <sup>1</sup> / <sub>8</sub> +1 <sup>1</sup> / <sub>8</sub> Micrae Cp 0.20 16 939 24 <sup>1</sup> / <sub>8</sub> 23 <sup>3</sup> / <sub>8</sub> 24 <sup>1</sup> / <sub>8</sub> +1 <sup>1</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> Micrae Inc 0.24 29 6696 15 <sup>1</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> -1 <sup>7</sup> / <sub>8</sub> 14 <sup>7</sup> / <sub>8</sub> 15 <sup>7</sup> / <sub>8</sub> 14 <sup>7</sup> /	Simple   0.40   12   420   11½   10¾   11¾   1½
BricSouth B.55 14 4573 22 20% 21 -1 Branchordo 0.48 10 57 15 16 15 16 15 16 16 16 16 16 16 16 16 16 16 16 16 16	Forement 1.00 13 359 31\(^14\) 35\(^14\) 37\(^14\) -\(^14\) Forestorer 9 233 10\(^14\) 10\(^16\) 10\(^16\) 10\(^16\) -\(^16\) Foster A 8 120 4 3\(^14\) 3\(^14\) 3\(^13\) 3\(^12\) Fost Find 1.16 11 240 31\(^14\) 31 31\(^12\) Fost Howai 1.18 11 104 25\(^14\) 42\(^14\) 15\(^16\) Fost Howai 1.18 11 104 25\(^14\) 42\(^14\) 25\(^14\) Folicer B 664 16 7 3\(^16\) 3\(^12\) 3\(^16\) 3\(^14\) Futurilla 0.08 12 118 12\(^12\) 19\(^16\) 10\(^16\) 18\(^14\) -\(^14\) Futurilla 0.08 12 118 12\(^12\) 19\(^16\) 10\(^16\) 18\(^14\) -\(^14\) Futurilla 9 40 2 2 2 4\(^12\) -\(^12\) 12\(^16\) 12\(^16\) 13\(^16\)	Methodo A 0.12 17 483 17% 18% 17% +16 MFS Cm 14 260 36½ 35½ 36½ +3½ Methodo F 0.20 10 1128 u13½ 12½ 12½ +½ Mich Natis 2.20 9 325u105½ 105105¾ +3½ Mich Natis 2.20 10 11½ 10½ 11 - 7½ Mich Natis 2.20 11 12 10½ 11 - 7½ Mich Natis 31 10 55½ 5 55½ +3½ Mich Natis 33c227 77.77 75½ 77¾ +2½ Mich Natis 31 2.17% 17¾ 17¾ - 14 Mich Natis 31 2.17% 17¾ 17¾ 17¾ - 14 Mich Natis 31 2.17% 17¾ 17¾ 17¾ - 14 Mich Natis 31 2.17% 17¾ 17¾ 17¾ - 14 Mich Natis 31 2.17% 17¾ 17¾ 17¾ - 14 Mich Natis 31 2.17% 17¾ 17¾ 17¾ - 14 Mich Natis 31 2.17% 17¾ 17¾ 17¾ 17¾ 17¾ 17¾ 17¾ 17¾ 17¾ 17¾	Steel Tex   0.08   15   295   131a   123g   13   -1a
Binc 33 433 47½ 7 7 7½  Big B 0.18 14 906 14 13½ 13½ 1½  Brokey W 0.09 11 459 15½ 15½ 15½ 15½  Brokey 251 1812 38½ 37¼ 37¾ 3½ 1½  Broke 251 1812 38¼ 37¼ 37¾ 1½  Broke 1 25 5211 17½ 17½ 17½ 1½  Broke 2 22 219 51¼ 50½ 50½  Broke 3 22 15 51¼ 50½ 50½  Broke 3 22 16 635 29½ 20¼ 20¾  Broke 3 22 25¼ 28¼ 28¼ 28¼  Broke 3 3 28¼ 28¼ 28¼ 32¼ 1½  Broke 3 3 28¼ 28¼ 28¼ 28¼ 28¼ 28¼ 28¼ 1½  Broke 3 3 28¼ 28¼ 28¼ 28¼ 28¼ 1½  Broke 3 3 28¼ 28¼ 28¼ 28¼ 28¼ 28¼ 28¼ 28¼ 28¼ 28¼	8 M App 3 82 17g 17g 18g +3g 62K Serv 0.07 22 266 163g 173g 18g +3g 62K Serv 3 157 28g 27g 27g 4g 62K Serv 186 4 95 33g 27g 33g +3g 62K Serv 186 6 80 81g 77g 77g 4g 62K Serv 187 72 18 171g 18 +3g 62K Serv 187 72 18 171g 18 +3g 62K Serv 187 12 172 28g 28g 28g 48g 54g 54g 54g 54g 54g 54g 54g 54g 54g 54	MichinGratin 0.50 11 75 183a 15 183a 43a Millier H 0.52 20 216 20 195a 1932 45 Millier H 0.52 20 216 20 195a 1932 45 Millians H 1803 257a 253a 253a 43a Millians H 16 64 154a 147a 1544 43a Millians H 16 64 154a 147a 1544 43a Millians H 16 64 154a 147a 1544 43a Millians H 16 64 154a 147a 157a 43a Millians H 16 64 154a 147a 157a 43a Millians H 16 64 154a 147a 157a 157a 43a Millians H 16 18 19 18 18 18 18 18 18 18 18 18 18 18 18 18	Sumon Rs 150 16 8½ 7½ 7½ 7½ 5 15 150 17 1027 16 1534 16 14 15 150 15 15 15 16 14 15 15 15 15 16 15 15 16 15 15 16 15 15 16 15 15 16 15 15 16 15 15 16 15 15 15 15 15 15 15 15 15 15 15 15 15
Boston 7c 28 1683 1434 1436 1476 -76 BrashWA 0.80 17 33 053 52 52 -1 Brenco 0.24 13 177 1334 1334 1344 44 Bruso 5 0.25 1315201 u1234 12 1234 +34 BSB Braco 0.86 6 50 28 2712 28 +32 BT Shorn 0.88 2 412 276 276 276 Butters 14 756 1037 1034 1034 1034 Butters 14 756 1037 1038 1038 12 1376 Butters 14 158 12 1176 12 +36 Butters 14 12 3372 3334 3332 Butters 17 0.40 12 1139 u3814 38 3776 +132	Gentrette   32   609   39½   38¾   34¾   38¾   38¾   38¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   38¾   34¾   38¾   34¾   38¾   34¾   38¾   34¾   34¾   34¾   34¾   34¾   34¾   34¾   34¾   34¾   34¾   34¾   34¾   34¾   34¾   34¾   34¾	MAC Re 0.16 17 636 054 \(^1_8\) 32 \(^1_2\) 34 +1 Nash Frich 0.72 11 116 16 \(^1_4\) 15 \(^1_4\) 16 \(^1_4\) 18 Nat Compt 0.36 18 1439 16 15 \(^1_4\) 18 Nire Sun 0.20 18 252 12 \(^1_2\) 11 \(^1_2\) 12 \(^1_2\) + \(^3_4\)	T-Cell Sc
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Chross   0.08   12   1502   5   5   5   5   5   5   5   5   5	Horsetrias   0.44   HS   25   5-14   5-14   5-14   5-14   1-14	Dictal Com	UCasesGa   1.02   14   24 u   16   4   15   16   4   4   2   2   2   4 u   16   4   15   16   4   4   2   2   2   4   16   4   15   2   4   2   4   2   4   2   4   2   4   2   4   2   4   2   4   4
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CommutState 0.72   10 3250   303, 304, 303, 343, 434, 264, 262, 253, 253, 253, 253, 41, 41, 41, 41, 41, 41, 41, 41, 41, 41	Institution	Pacificre 20 1100 675 653 665 66 -113 25 6618 4634 4534 4612 + 14 2 2 2 2 2 1 2 12 -14 2 2 2 2 1 4 2 2 2 2 1 4 2 2 2 2 2 2 2	- W -  Warner En > 0.12 13 492 20 <sup>1</sup> 2 20 20 <sup>1</sup> 8 <sup>1</sup> 8  Warner En > 0.12 13 492 20 <sup>1</sup> 2 47 <sub>8</sub> 5 <sup>1</sup> 8  Warner La 26 42 5 <sup>1</sup> 8 47 <sub>8</sub> 5 <sup>1</sup> 8  Wattain PN 0.25 16 398 23 22 22 <sup>1</sup> 8 + <sup>2</sup> 8  Wattain PN 0.25 18 93 23 22 <sup>1</sup> 2 23  Wattain PN 0.25 18 93 23 22 <sup>1</sup> 2 23  Wattain PN 0.25 18 93 23 22 <sup>1</sup> 2 23  Wattain 3 1945 94 <sup>5</sup> 8 4 <sup>1</sup> 8 4 <sup>5</sup> 8 + <sup>2</sup> 2  West One 0.68 6 3024 27 <sup>2</sup> 4 26 <sup>2</sup> 4 27 <sup>4</sup> 4 + <sup>3</sup> 8  Wattain Bnc 0.06 11 76 0.35 <sup>3</sup> 8 33 <sup>4</sup> 8 33 <sup>4</sup> 8  Wattain Bnc 0.06 11 76 0.35 <sup>3</sup> 8 34 <sup>3</sup> 8  Wattain Bnc 0.06 11 76 0.35 <sup>3</sup> 8 34 <sup>3</sup> 8  Wattain Bnc 0.06 11 76 0.35 <sup>3</sup> 8 34 <sup>3</sup> 8  Wattain Bnc 0.06 11 76 0.35 <sup>3</sup> 8 34 <sup>3</sup> 8
Crows Res 16 881 5 434 476 +16 Cytogen 3 2050 5 454 414 -14	Jones Med 0.10 16 412 10 958 959 -19	Premacy 28 121 15 $\frac{7}{8}$ 15 $\frac{1}{8}$ 15 $\frac{7}{8}$ + $\frac{1}{4}$ Promotich 8 1801 6 75 8 8 + $\frac{1}{4}$ Promotich 8 1801 6 75 8 8 + $\frac{1}{4}$ Protarete 15310209 48 43 $\frac{1}{8}$ 44 $\frac{7}{8}$ - $\frac{7}{8}$ Protarete 15310209 48 43 $\frac{1}{8}$ 44 $\frac{7}{8}$ - $\frac{7}{8}$ Protarete 15310209 48 43 $\frac{1}{8}$ 44 $\frac{7}{8}$ - $\frac{7}{8}$ Protarete 15310209 48 43 $\frac{1}{8}$ 42 $\frac{1}{4}$ Protarete 16 0.08 10 2234 37 $\frac{7}{8}$ 38 $\frac{1}{8}$ 37 $\frac{1}{4}$ - $\frac{1}{4}$ Prometi 0.08 10 2234 37 $\frac{7}{8}$ 38 $\frac{1}{8}$ 37 $\frac{1}{4}$ - $\frac{1}{4}$ Prometi 0.08 10 2234 37 $\frac{7}{8}$ 38 $\frac{1}{8}$ 37 $\frac{1}{4}$ - $\frac{1}{4}$ Prometi 0.20 6 114 8 $\frac{7}{8}$ 8 $\frac{1}{8}$ 8 $\frac{1}{8}$ 2 +1 Prometi 13 153 6 5 $\frac{7}{8}$ 5 $\frac{7}{8}$ Preside 0.09 5 2001 5 $\frac{7}{8}$ 5 $\frac{1}{8}$ 5 $\frac{1}{8}$ Preside 321 2197 61 $\frac{1}{8}$ 78 80 $\frac{1}{4}$ -3	Mel SeelA 50 87 4√2 4 4 √2  Millemite 1.00 11 1258 52 50√3, 51√3 √4  Millemite 1.00 11 1258 52 50√3, 51√3 √2  Millemite 1.028 8 7 14√2 14√2 14√2  Millemite 1.028 8 7 14√2  Millemite 1.008 11 11 1258  - X - Y - Z -  Millemite 1.008 11 1258  - X
Des Snops 0.20.20 6 44 44 44 -14 Details En 0.32.33 35 24 234 2376 -16 Details En 0.30 19 372 3712 3714 3714 -12 Details mass 0.44 18 311 u20 16 20 +12	Joséph Cp 1.20 15 43 25d24 <sup>1</sup> 2 25 + <sup>1</sup> 2 JSB Fin 1.00 14 234 30 <sup>3</sup> g 30 30 <sup>3</sup> g + <sup>1</sup> 4 Juno Lity 0.28 16 66 s21 20 <sup>1</sup> g 20 <sup>3</sup> g - <sup>1</sup> 8 Justin 0.18 7 3489 10 <sup>1</sup> g 10 10	Pr/Cocz 15 4693 15½ 14¾ 14¾ ½ ½ 17 15 15 15 15 15 15 15 15 15 15 15 15 15	Xoma Cop 1 372 176 1 16 1 16 16 Yellow 0.94 80 603 185 18 18 5 5 York Rech 187 188 5 18 5 5 5 5 Zonel Itah 1.20 9 87 42 16 42 14 16

# **Technology** sector gains help Nasdag

two largest companies on the

Nasdaq, Microsoft and Intel,

which jumped 2.5 per cent and

3.2 per cent respectively.

Microsoft rose \$1% to \$76% and

\$31% after reporting first-quar-

ter results well below analysts'

Before the market opened.

the company announced earn-

ings of 86 cents a share, versus

the mean estimate of 98 cents a

Meanwhile, stronger than

expected results gave only a

slight boost to Du Pont, which

gained \$% at \$64. The chemi-

cals company reported first-

quarter earnings of \$1.40 a

share 17 cents e share more

than the mean estimate from

analysts. American Brands

also edged higher after reveal-

ing first-quarter earnings of 58

cents a share, one cent higher

than estimates. Shares in the company were \$% firmer at

Toronto turned higher at mid-

day, supported by the strength

in heavily weighted gold shares and a firmer Canadian

dollar. The TSE-300 composite

index rose 6.40 to 4,264.50 at

noon in befty volume of 32.6m

The market was evenly split,

with gold and precious metals

media and consumer product

Maple Leaf Foods plunged

tled on a value for the shares

following last week's success-

issues led declining groups.

Canada

USX-US Steel dropped \$1% to

Intel gained \$3 at \$95%.

#### Wali Street

Strength in the technology sector helped the Nasdaq composite shake off uncertainty about the dollar and a slipping bond market, while blue chip issues retreated from record levels hit last week, writes Lisa Bransten in New York.

At 1 pm the Dow Jones Industrial Average was 3.46 lower at 4,266.63, while the more broadly based Standard & Poor's 500 firmed 0.86 to 509.35. The American Stock Exchange composite was np 0.95 at 473.05. The Nasdaq composite gained 2.95 at 826.39. Trading volume on the NYSE

came to 171m shares. The Dow was volatile within e narrow range for most of the morning. After falling more than 14 points in the first hour of trading it then bounced off its low and held within 10 points of Friday's close through to early afternoon. The S&P 500 was also volatile, although the index managed to push into positive territory by late morning.

One factor weighing on the market was today's meeting of central bankers and finance ministers from the Group of Seven industrial countries to discuss the state of the dollar. Traders held out little hope thet the G7 nations would undertake a concerted move to bolster the value of the US

currency.
The Nasdaq drew most of its leading gains in seven of the 14 sub-indices. Weak forestry, strength from high-technology companies, many of which have benefited from the weaker dollar. The Pacific C\$7 to C\$6 as the market set-Coast technology index was up nearly 1.4 per cent by early ful merger hid led by the Wal-lace McCain family. afternoon as the Nasdaq gained 0.4 per cent.

# Mexico in 3% rise

Mexican equities rose sharply in early trade, helped by strong activity in the US where investors were starting to take the view that the worst of the country's financial problems were now over. The IPC index was up 60.72

or 3 per cent at 1,980.14 by late morning. In the US, Telmex was \$%

In SAO PAULO, the Bovespa

index had risen 527 or 1.6 per cent to 34,369 by midday.
Investors were encouraged by reports that the government
would announce measures this week aimed et slowing down
the rate of economic growth.  CARACAS ended slightly
higher in light trade. The Mer- invest composite index edded
0.03 at 90.88, assisted by a gain in Banco Mercantil of 6 boli-
vars at 287 bolivars.

	*	% change storing 1	% attenge to US 5 †			
	1 Wook	4 Weeks	1 Year	Start of 1905	Start of 1990	Start of 1995
Austria	+0.31	-0.27	-13.52	-8.53	+0.32	+3.0
Belgium	+1.44	+7.72	-5.05	+2.08	+11.49	+14.49
Denmark	+1.34	+0.34	- 12.68	-5.38	+3.02	+5.7
Finland	+2.17	+5.59	+0.99	-8.90	-1.82	+0.8
France	+1.91	+5.55	-7.48	+3.00	+9.63	+12.5
Germany	-0.40	+3.06	-12.01	-8.75	+2.25	+5.00
Ireland	-0.45	+2.99	+4.55	+1.72	+4.71	+7.5
(taly	+1.35	+4.82	-16.02	-0.27	-8.48	-6.0
Netherlands	+0.52	+2.99	-2.27	-1.07	+8.39	+11.2
Norway	+1.80	+6.34	-2.35	-4.61	+0.90	+3.6
Spain	-0.38	+3.61	-10.57	-3.64	-0.10	+2.5
Sweden	-0.19	+4.13	+8.30	+4.27	+1.83	
Switzerland	+0.03	+1.01	-7.66	-2.74	+8.93	
UK	-0.24	+1.57	+1.59	+4.08	+4.08	+5.8
EUROPE	+0.30	+2.92	-4,58	+0.38	+4,47	+7.2
Australia	-1.18	+5.26	+0.57	+4.63	-3,69	-1.1
Hong Kong	-0.31	+0.7e	-6.03	+5.49	+2.79	+5.5
Japan	+4.35	+8.72	-15.85	-13.68	+1.16	+3.6
Malaysia	+0.82	+1.25	-6.53	-1.02	-0.18	+2.4
New Zealand	+1.05	+10.15	+B.14	+11.86	+14.36	+17.4
Singapore	+1.45	+3.66	-1.02	·5.1e	-3.50	-0.9
Canada	-1.19	-2.15	+5,46	+1.70	+1.58	+4.3
USA	-0.09	+1.57	+13.63	+10.74	+7.85	+10.7
Mexico	+4.47	+8.58	+3.22	~15.47	-32.60	-30.7
South Africa	+1.56	+4.63	+5,63	-8.20	+0.89	+3.5
WORLD INDEX	+1.34	+3.97	-1.69	-0.54	+3.91	+6.7

# Intraday swings as Paris reflects on Jospin win

where immediate reactions were revised later, but left them unmoved in Milan, writes Our Markets Staff.

PARIS reflected on the unex-

pected victory of Mr Lionel Jospin, the Socialist party candidate, in Sunday's first round of voting in the presidential elections. But after initially declining to a session's low of 1,902.60, the CAC-40 index stabilised, moved to a high of 1,930.71, and finally closed with a net loss of 9.86 at 1.918.51.

The view that emerged from strategists yesterday was that while Mr Chirac had not done as well in the first round as had been forecast, his victory remained the most likely scenario for the final round in two weeks' time. However, they added, the winning margin could well be slim: one analyst suggested that Mr Chirac might snatch the presidency by as little as 4 or 5 percentage

Mr Andrew Shepherd-Barron of Kleinwort Benson observed that while the franc was likely to come under intense pressure should Mr Chirac win, as currency dealers tested the new

president's resolve, equities, short term, could be set for a renewed rally. Devaluation of the currency would lead to e UK-style growth spurt, he explained, while an acceleration of growth, which was already under way, was likely if the franc held its ground. There was no comment from

either Crédit Local da France or Parihas on rumours that they might join forces to create a new bank: the former rose FFr1.90 to FFr426.90 and the latter lost FFr7.50 at FFr300.40. Euro Disney and Eurotomnel both suffered heavy selling, losing 65 centimes or 4.3 per cent to FFr14.35 and 50 centimes or 3 per cent to FFr15.95

respectively.
MILAN was unmoved by the weekend's regional elections. inconclusive and in line with expectations, with many inves-tors absent ahead of a public boliday today.

The Comit index eased 4.16 to 617.27 as weekend news about rises in wholesale and producer prices after Friday's inflation data from Bologna rekindled worries about inflationary pressures and a possible Bank of Italy rate rise.

FT-SE Actuaries Share Indices THE EUROPEAN SERIES 11.00 12.00 13.00 14.00 15.00 Good Apr 20 \_ 1267.99 1282.20 1289.49 1281.88 1372.02 1367.99 1372.93 1381.08

post-bourse surge in Schering after the German federal health authorities said that the multiple sclerosis drug deoxys-pergualin (DSG) developed by the Hoechst subsidiary Behringwerke would not be

Schering, marketing its Betaseron m/s drug in the US, rose DM11.20 to DM1,084 after hours. However, Mr Mark Tracey of Goldman Sachs, a long term bull of Schering's stock, said Goldman had never seen DSG as an m/s drug and that Schering yesterday was moving on sentiment rether

The Ibis indicated Dax index ended 8.73 lower at 1,978.97 after e session close of 1.976.21. Turnover fell from DM5.8bn to

South Rores.

1994

early rise, eased on profit-tak-

ing ahead of today's national

holiday and polling in the gen-

eral election, leaving the com-

Intiplus, the finance services

group, gained 16 cents at

M\$2.17 in the market's heaviest

volume of 15.7m shares, on

posite Index 2.79 off at 975.05.

FRANKFURT featured a DM5bn as key cyclicals were. marked down, and retailers gained more ground.

AMSTERDAM'S AEX index

finished with a rise of 0.19 at

408.61. Turnover remained

Philips was firmly supported ahead of tomorrow's first-quarter earnings report, adding 60 cents at F156.00. Prospects of good earnings also helped Akzo Nobel to a gain of FI 1.60 at Fl 18L00: the chemicals group reports on Thursday. Ballast Nedam rose Fl 290 to F17L60 after reporting that it had recently won orders worth

ZURICH was closed for a local holiday, but the SMI index declined 6.0 to 2,554.8. reflecting the effect of the

Friday listing. Repco Holdings retreated 40 cents to M\$10.70

on profit-taking after a recent

SINGAPORE finished mixed

with properties in retreat but

marine stocks firm on selective

huying from foreign institu-

tions. The Straits Times Indus-

trial index put on 6.05 at -

HONG KONG was weaker but off its lows, the Hang Seng index easing 19.84 to 8,625.55.

as turnover dipped from

HK\$2.4bn to HK\$2.1bn. Reports

that Deng Xiaoping's children

had cancelled trips to stay at

home again raised concerns

over the 90-year-old leader's

health, HSBC, the most active

issue, ended 25 cents firmer at

SHANGHAI's hard currency

B shares were sharply lower

for the sixth consecutive ses-sion on overseas selling of blue

chip Pudong isues. The B index

HK\$91.50,

Holvis was suspended after a public offer of SFr435 a share from International Paper, described by the Swiss group as unsolicited and unfriendly. The shares had added SFr20 at SFr350 on Friday

STOCKHOLM picked up 0.8" per cent as the market responded to better than expected first-quarter results from SSAB, the steel manufacturer, and advances in the forestry sector, cheered by the bid for Holvis. The Affarsvärlden index gained 11.50 at 1,527.00. Mr Francois Langlade-

Demoyen at CS First Boston, who upgraded his recommendation on the market to overweight from underweight, noted stronger than expected growth in the economy, led by exports and surging investment. Today's supplementary budget, he added, appeared to be heading in the right direction to reduce the budget

SSAB rose SKr15 to SKr235 after the first-quarter results prompted upgrades in earnings forecasts from some analysts. Avesta Sheffield put on SKr2.50 at SKr75.50 and Trelleborg B

lost 0.961 or 1.8 per cent et

51.900 on continuing disap-

pointment that Beijing had not

announced preferential policies

on the fifth anniversary of the

Pudong New Area last week;

and there were renewed wor-ries about Deng's health.

SYDNEY showed little

change ahead of today's public

holiday, Thursday's inflation

figures which analysts expected to show a year-on-year

deterioration, and the Federal

budget due to be released next week. The All Ordinaries index

eased 1.8 to 1.999.1. Turnover

was A\$380.7m., Goodman

Fielder lost a cent at A\$1.23

after forecasting a 10 per cent

early losses to close slightly

higher ahead of today's Anzac

holiday. The NZSE-40 Capital

index moved ahead 4.09 to

2,120,10 in turnover of NZ\$50m.

Lion Nathan advanced 9

cents to NZ\$3.23 ahead of

WELLINGTON reversed its

decline in operating profit.

HELSINKI's forestry stocks were lifted by last week's profits gains from Kymmene, a positive sector recommendation from Merrill Lynch and the International Paper bid for Holvis. The sector rose by 3.4 per cent as the Hex index closed 30.2 or 1.8 per cent higher at 1.711.5; Repola put on FM2,10 to FM80.60 and Kym-

mene itself FM6 to FM125. ISTANBUL broke its bull run and dropped 9.1 per cent after a rise of 116.6 per cent since the end of January, the composite index dropping 4.977.74 to 49,676.19. Traders were influenced by a statement from the privatisation agency OIB, which plans to sell shares of eight partially owned state companies on the exchange floor in the next six months. WARSAW corrected from Friday's mild bout of profittaking to climb to a new year's high. The Wig index gained 547.6 or 6.5 per cent at 8,941.6. although turnover fell 19 per cent to 109m zlotys.

Written and edited by William

TAIPEI retreated on a sell-off

in the financial sector. The

5,963.86 in T\$34.5bn turnover.

weighted index shed 24.07 to

The financial sector sub-

index fell 2 per cent, with the major banks, Chang Hwa, First

Commercial and Hua Nan, all

setting 1995 lows, each drop-

ping T\$3.50 to T\$109.50, T\$110

and T\$113 respectively.
However, electronics provided some support, with

Macronix rising by the 7 per cent daily limit to T\$74.50.

MANUA saw profit taking bring the composite index off

the session's high but leave it

still in positive teritory, gain-

ing 10.15 at 2,512.63. Turnover

BOMBAY encountered sell-

ing pressure from local mutual

funds which, combined with a

lack of buying interest on a

dull day, pulled the BSE-30

index down 53.79 or 1.6 per

slipped to 786.4m pesos.

# G7 inhibits Nikkei as Seoul falls to 12-month low

### Tokyo

Fears of further gains in the yen hit share prices ahead of today's meeting of finance ministers and central bankers of the Group of Seven industrial countries, and the Nikkei 225 average lost ground for the first time in four trading days, writes Emiko Terazono in

The index was off 164.19 st 16,804.05 after moving between 16,779.10 and 16,981.07. Selling of small lots weighed on investor confidence, and there was profit-taking following the 4.6 per cent rise during the past three days.

Volume fell from 353m to 200m shares, reflecting caution over the G7 finance ministers' meeting. Some investors hoped that a solution for the currency market volatility would materialise, but the lack of a concrete initiative could trigger dollar selling, said traders.

The Topix index of all first section stocks slipped 12.07 to 1,329.28 and the Nikkei 300 lost 2.85 at 245.75. Declines led gains by 623 to 381, with 173 issues unchanged. In London the ISE/Nikkei 50 index eased

beneficiary of the strong yen due to its reliance on imported raw materials, rose Y2 to Y673. According to Barclays de Zoete Wedd, imported raw materials account for 60.2 per cent of the pulp and paper industry's production costs and exports account for only 3.3 per cent of

However, electric utilities, which also stand to gain from the yen'e appreciation, declined following last week's rally on their high dividend yields, relative to interest rates. Profit-taking left Tokyo

Electric Power Y20 cheaper at

Y2,760.

Speculative trading snpported Tosoh, the most actively traded stock, which rose Y6 to Y441. The chemical maker, which had developed an Aids drug, met heavy selling recently following the company's announcement that the drug's commercial application was a long term goal. However, individuals and dealers supported the issue yesterday on short term trading. Large-capital steels, which

were bought last week, receded on profit-taking by domestic institutions. Nippon Steel fell Y10 to Y336 and Sumitomo Metal Industries Y3 to Y283. In Osaka, the OSE average declined 47.77 to 18,337.01 in volume of 12.4m shares, losing ground for the first time in four days due to falls in high-

technology stocks, Shima Seiki, the machinery maker, shed Y160 to Y4,450. Aoyama Treding, the men's suit retailer, dipped Y110 to Y1.720 on profit-taking by overseas investors.

## Roundup

A weak trend was in evidence in much of the region.

selling spree in extremely thin trade, the composite stock index losing 14.95 or 1.7 per cent at a 12-month low of 876.89. Worries that the govern-ment would tighten monetary policy to combat inflation continued to pressure sentiment, while recent sharp falls among primary blue chips also repre sented a correction after ear-

Samsung Electronics lost Won4,000 et Won122,500 and Hyundai Motor was down Won1,900 at Won47,200.

# Coopers &Lybrand

# Corporate Finance

# Remailed

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acted as lead advisor

Thames Water Pic on the sale of the **Permutit Companies** 

**US Filter Corporation** 

Solutions for Business

This announcement appears as a matter of record only

# S Africa posts steady gains

Jobanneshurg posted steedy gains in response to Friday's performance on Wall Street and a mildly higher gold price, although low volumes indicated concern about the outlook for hallion.

The overall index was 19.5 ahead at 5,434.4 and industrials added 28.0 at 6,733.4. Golds edged up 7.1 to 1,491.7.

luxury goods and tobacco group, eased 15 cents to R40 following its hid to buy ont the minority shareholders' stake in Rembrandt International.

Sappi, the paper and pulp producer, closed at a record R75.50, up R1.50 or 2 per cent benefiting from sharply higher

NATIONAL AND REGIONAL MARKETS			FR	DAY APE	RIL 21 15	95			-	THURSDA	ADD!	20 1005				~
igures in parentheses	US	Day's	Pound			Local	Local	Gross	US	Pound	AT APTIL	20 1900	Local	DO	LLAH IN	Year
how number of lines	Doller	Change	Sterling	Yen	DM	Currency		Div.	Dollar	Sterling	Yen	DM	Currency !	-	57 week	PGC
of stock	Index	- %	Index	Index	Index	Index	on day	Yleid	Index	Index	Index	index	Index	High	Low	(approx
ustralia (63)	169.74	-1.5	156.65	88.96	121.48	153.98	-1.4	3.93	172.28	158.41	90.02	122.74	156.16	180.82	157.95	184.0
ustria (27)		0.0	173.73	98.66	134.72	134.63	0.5	1.28	188.18	173.03	98.33	134.07	133.96	198.89	167.48	
elgrum (35)	192.83	0.6	177.96	101.06	138.00	134.96	1.2	3.90	191.89	178,45	100.27	136.71	133.34	192.90	161,88	165.
razii (26)	121.63	0.2	112.26	63.75	87.05	204.97	-0.0	1.58	121.37	111.80	63.42	86.47	204,97	10E-U	101.00	100.
anada (103)	134.96	0.4	124.56	70.74	96.59	133.67	0.2	2.82	134.44	123.62	70.25	95.78	133.43	140.25	120.54	126
ermark (33)	268.36	-0.2	245.83	139.60	190.63	197.18	0.6	1.61	266.87	245.39	139.45	180.13	196,00	275.27	236.61	250.
nland (24)	167,47	1.6	173.02	98.26	134.17	166.51	1.8	1.42	184.54	169,69	96.43	131,48		201.41	133.88	145.
ance (101)	164.11	1.5	169 91	96.48	131.76	141.02	2.1	3.07	181.36	185.76	94.77	129.21	138.13	185.25	157.78	167.
ermany (5 <del>8)</del>	150.47	8.0	138,87	78.86	107.68	107.68	1.0	2.16	148.59	137.56	78.17	106.58	108.58	164.61	132.08	139
ong Kong (55)	344.27	0.0	317,68	180.41	246.35	341.73	0.0	3.96	344.16	316.48	179.64	245.20	341.60	416.42	277.40	366
kand (16)	221.74	-0.2	204,64	116,22	158.70	191.40	0.2	3.63	222.22		116.12	158,32	190.97	224,32	180.67	188
dy (56)		0.7	65.30	37.08	50.64	90.97	0.1	1.88	7030	64.64	36.73	50.08	90.68		65.45	
pan (483)		1.3	150.45	85.44	116.67	85.44	18	0.89	160.99	148.03	84.12	114.70		97.78		89
glaysia (97)		2.0	453.46	257.52	351.64	466.64	1.6	1.72	481.54	442.78	251.62	343.08	84.12 458.45	170,10	136.95	155
pulco (18),		6.0	904 53	513.68	701.42	6445.54	4.2	1.68	924.88	850.42				594,76	<b>396</b> .18	482
therland (19)		0.1	222.77	126 51	172.75		0.7	3.71	241.21	221.79	483.28	658.93		2414,12	847,61	1668
w Zogland (14)		-0.4	76.36	43.37	59.22	65.37	-0.5	4 48			126.04	171.88	168.71	242.31	194.56	200
nway (33)		0.9	203.83	115.75	158.06	196.29		_	83.10	76.41	43.42	59.21	65.72	83,10	63.45	64
ngapore (44)	360.64	1.8	341.15	190.74	264.55	237.71	1.5	2.27	218.88	201.28	114.37	155.94	183.50	220,85	177.53	181.
		-0.3	321.92	182.82			17	1.81	383.14	333,91	189.75	258.72	233.76	401,38	313.94	334
outh Africa (59)					249.63	275.31	<b>-0.1</b>	2.48	350.01	321.83	182.89	249.38	275.58	353,13	240.09	240.
oain (38)		0.4	124.93	70.95	96.88	126.60	0.6	4.48	134.79	123.94	70,43	96.03	125.08	150.21	124,10	138
weden (48)		0.2	223.03	126.56	172.95	265.21	0.5	2.17	241.23	221.82	126.05	171.87	263.96	249.14	196.70	200
ultzerland (47)		0.1	170.52	96.84	132.23	130.35	0.6	1.93	184.84	169.77	96.48	131,55	129.56	186.09	149.81	158
adand (46)		2.0	127.35	72.32	96.75	131,47	20	3.23	135.34	124.44	70.72	98.42	128.85	100.00		150
nited Kingdom (203)	208.22	0.4	192,17	109.13	149.02	192_17	0.8	4.27	207.42	190,72	108.39	147.78	190,72	209.92	181.11	191.
SA (510)	207.92	0.6	181,89	108.98	148 81	207.92	06	2.74	208.70	190.08	108.01	147.26	206.70	208,11	179.72	182
mericas (859)	190.51	0.6	175.83	99.85	136.35	159.75	0.6	2.72	189.32	174.08					110.12	
лора (741)		0.5	167.27	94.99	129.71	151.19	0.9	3.24	180.30		28.93	134.85	158.79		-	
ordic (138)	234 18	0.4	216.11	122.73	167 58	209.79	0.8	1.96		165.78	94.21	128.45	149.79	182.33	160.58	166
risic Basin (822)		1.1	157.07	89.20	121.80	95.67			233.21	214.44	121.86	166.15	206.05	237,38	197.70	202
			161.23	91.56	125.03	116.93	1.4	1.25	168,34	154.79	87.95	119.94	94,39	178.88	145.83	163
ro-Pacific (1563)		8.0					1.2	2.11	173.22	159.26	90,51	123,41	115.57	175.14	154.73	164
eth America (613)	203 40	0.6	187.72	106.61	145.57	202.90	0.6	2.74	202,22	185.94	105.67	144,07	201.74	203.68	176,47	179
rope Et. UK (538)	162.71	QB	150.16	85.28	116 45	128,25	1.0	2.66	161.73	148.71	84.51	115.22	126.93	163.48	144.12	150
cific Ex. Japan (339)		0.2	224,41	127.44	174.03	213.08	0.2	3.28	242,66	223.13	125.90	172.89	212.71	273,13	211.19	242
orld Ex. US (1771)	174.93	8.0	181.44	91 68	125.19	120,24	1.1	2.12	173.47	159.51	90.65	123.59	118.89	176.65	155.42	184
orld Ex. UK (2078)		0.B	168.31	95.50	130.52	141.49	1.0	2.14	180,94	166.38	94.55	128.81	140.15	182.37	163.48	187
orld Ex. Japan (1796)	,198.16	0.5	182.89	103.86	141.82	183.79	0.7	2.95	197,10	161 23	102.99	140.42	182.56	198.16	176.74	179
ne World Index (2261)	184 68	0.8	170.42	96.79	132.15	145.84	0.8	2.34	183.28	168.53	95.77	130.58	144.58	184.66	165.82	169

